

# **PUEBLO COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**FOR THE YEAR ENDING  
December 31, 2016**



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# **PUEBLO COUNTY, COLORADO**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED DECEMBER 31, 2016**

Prepared By:  
Office of Budget & Finance

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# Pueblo County, Colorado

Year Ended December 31, 2016

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## **INTRODUCTORY SECTION**

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TERRY A. HART  
CHAIR  
DISTRICT 1

SAL PACE  
CHAIR PRO TEM  
DISTRICT 3



GARRISON ORTIZ  
COMMISSIONER  
DISTRICT 2

AIMEE TIHOVICH  
BUDGET & FINANCE DIRECTOR

## OFFICE OF BUDGET & FINANCE

September 18, 2017

To: Board of County Commissioners  
Citizens of Pueblo County, Colorado

The Comprehensive Annual Financial Report (CAFR) of Pueblo County for the year ended December 31, 2016 is hereby submitted as mandated by the State of Colorado. It is required that Pueblo County issue annually a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of Pueblo County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Pueblo County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Pueblo County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Pueblo County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement; and documentation of its internal control system is completed. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Pueblo County's financial statements have been audited by McPherson, Breyfogle, Daveline & Goodrich PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Pueblo County for the fiscal year ended December 31, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements of each of Pueblo County's opinion units for the fiscal year ended December 31, 2016 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Pueblo County was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The Single Audit Report is included as a schedule of statements in the final section of this CAFR.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Pueblo County’s MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

Incorporated in 1861, Pueblo County is located in southeastern Colorado and is the tenth largest populated county in the state. With a land area of 2,414 square miles and a 2010 census population of 159,477, the County boundary includes the City of Pueblo, along with several smaller communities of Pueblo West, Boone, Avondale, Colorado City, Beulah and Rye. County government is responsible for performing functions in all areas, both urban and rural.

As a subdivision of the state of Colorado, the Board of County Commissioners (BOCC) of Pueblo County serves as both the administrative and policy-making body for the organization. Policymaking and legislative authority is vested in the three-member board, which consists of a chairperson, chair pro-tem and commissioner. Board members are elected to four-year staggered terms with one to two board members elected every two years. All of the board members are elected from within their respective districts. There are no at-large members.

The BOCC is responsible, among other things, for passing resolutions, adopting the budget, appointing boards and committees, and hiring the government’s appointed officials. Constitutionally, the BOCC also sits as the County Board of Equalization and fills all vacancies in County offices other than those for County Commissioner and for Public Trustee.

The government provides constitutionally mandated services including those provided by the elected offices of the Clerk & Recorder, Assessor, Treasurer, Sheriff, District Attorney, Coroner, and Surveyor. A wide range of other public services, including the construction and maintenance of streets and infrastructure; social, housing and human services; recreational and cultural activities, housing programs, community corrections, and economic development are carried out by internal departments and agencies under Pueblo County government. The County government is empowered to levy property tax on both real and personal property located within its boundaries.

The annual budget serves as the foundation for Pueblo County’s financial planning and control. All departments and offices of Pueblo County are required to submit requests for appropriation to the Budget Director on or before August 31 of each year. The Budget Director uses these requests as the starting point for developing a proposed budget. The Budget Director then presents this proposed budget to the commissioners for review prior to October 15. State statute requires that the budget be available for public inspection by October 15 of each year. The commissioners are required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 15. The appropriated budget is prepared by fund. Transfers of appropriations can be made that do not change the total appropriation for the fund. Increases in fund appropriations must be done with a formal budget amendment which requires a public hearing on the amendment and formal adoption by the BOCC. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Pueblo County operates.

### **Local Economy**

Pueblo County has developed a varied manufacturing and industrial base, which accounts for a relatively stable unemployment rate. Major industries with headquarters or divisions located within the County government's boundaries or in close proximity include manufacturers of fruit processing machines, carbon brakes, pet food, chemicals, steel, water chillers, wind towers, and high intensity precision machinery and several financial, telemarketing, warehousing and insurance institutions. The State also has a major economic presence in the area thanks to a major mental health facility and correctional institution.

Pueblo County's 2016 unemployment rate of 4.9% was higher than the State's average of 3.9% and slightly lower than the U.S. average of 5.0%. Pueblo County's rate has historically been higher than the State & federal rate. The region's Economic Development Council views the unemployment rate as a selling point in their work toward attracting new employers to the region as there is a strong workforce readily available for work. The County is optimistic this rate will decrease in the short term. The region (which includes the government and the surrounding unincorporated area) has a labor force of 72,966 civilians.

There is a recent trend towards some residential growth, particularly in areas outside the City limits of Pueblo.

### **Long-Term Financial Planning**

Due to flattened revenue streams, the County has directed its budgeting efforts at allocating limited dollars to areas of highest need. Looking forward, it is anticipated there will be some smaller industrial expansions in the next several years that should give a boost to property tax revenues.

Since 2010, attention has been directed at the many other improvements and replacements needed in the County's aging infrastructure. In May 2011, the commissioners acted to construct a new Judicial Complex building, needed to address increased usage of the courts and to better serve and protect witnesses and victims. This construction project was completed in 2014. Commissioners also acted to construct a new Emergency Operations Center, to address regional emergency management services needs, which was 100% funded by federal FEMA grant dollars and was completed in March 2014. Many roadway safety improvements and recreation facility improvements identified by working with the various communities in the County were also implemented in 2016.

### **Relevant Financial Policies**

Under the Taxpayer's Bill of Rights (TABOR), state spending is only allowed to increase at a local growth rate plus inflation. Any money the County raises above that amount must be returned to taxpayers. In the 2016 General Election the taxpayers of Pueblo County approved the ballot initiative for the County to 'Debruce', exempting the County from TABOR limits for 10 years, with excess revenues going to community enrichment projects.

### **Library Debt Service Fund**

In conformity with State statutory requirements, Pueblo County, on December 28, 1999, issued \$14,000,000 of general obligations bonds on behalf of the Pueblo Library District. The bond issue for library expansion was approved by voters on November 2, 1999. The County's debt service on the twenty (20) year bonds will be provided by a property tax mill levy. During 2005, a portion of these bonds were advanced refunded resulting in an economic gain for the County. The expanded facility is the property of the Pueblo Library District which received voter approval in 2006 to 'Debruce' exempting the District from State Amendment One TABOR limits.

## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pueblo County for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2015. This was the eighteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff in County Finance and Budget. I would also like to extend special thanks to the dedicated professionals at McPherson, Breyfogle, Daveline & Goodrich, PC, who perform our annual financial audit.

Finally, acknowledgement must be given to the County Commissioners for their interest and support in the audit and for administering County operations in a responsible and transparent manner. It is my distinct privilege to serve as a department director at a county which values effort, commitment and teamwork; and I am most proud in meeting my fiduciary responsibilities to the citizens of Pueblo County.

Respectfully submitted,



Aimee Tihonovich, Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Pueblo County  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Egan".

Executive Director/CEO

**PUEBLO COUNTY, COLORADO  
LISTING OF PRINCIPAL OFFICIALS  
DECEMBER 2016**

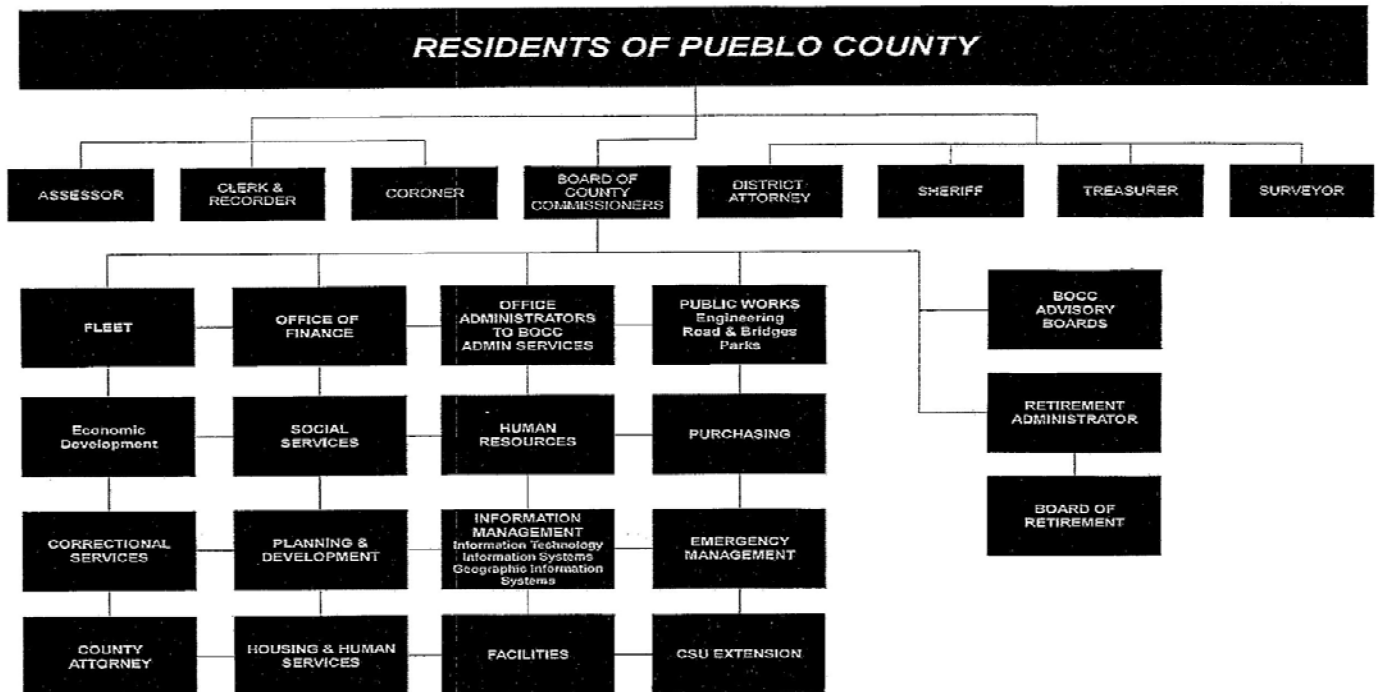
**Elected Officials**

|                          |                |
|--------------------------|----------------|
| Commissioner/Chairperson | Terry Hart     |
| Commissioner             | Garrison Ortiz |
| Commissioner             | Sal Pace       |
| Surveyor                 | Randy Reeves   |
| Clerk & Recorder         | Gilbert Ortiz  |
| Assessor                 | Frank Beltran  |
| Treasurer                | Del Olivas     |
| District Attorney        | J.E. Chostner  |
| Sheriff                  | Kirk Taylor    |
| Coroner                  | Brian Cotter   |

**Appointed Department Directors**

|                                    |                  |
|------------------------------------|------------------|
| County Attorney                    | Greg Styduhar    |
| Human Resources                    | Patsy Cresswell  |
| Office of Budget & Finance         | Aimee Tihonovich |
| Information Technology             | Ed Martinez      |
| Purchasing                         | Anita Crain      |
| Planning & Development             | Joan Armstrong   |
| Public Works                       | Alf Randall      |
| Fleet Management                   | Carl Chavez      |
| Department of Emergency Management | Mark Mears       |
| Social Services                    | Tim Hart         |
| Interim Housing & Human Services   | Tricia Sierra    |
| CSU Extension                      | Michael Fisher   |
| Economic Development               | Chris Markuson   |

# PUEBLO COUNTY GOVERNMENT ORGANIZATIONAL CHART



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## **FINANCIAL SECTION**

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McPherson,  
Breyfogle,  
Daveline &  
Goodrich, PC  
Certified Public Accountants

503 N. Main St.

Suite 740

Pueblo, CO 81003

Phone (719) 543-0516

Fax (719) 544-2849

## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Pueblo County, Colorado  
Pueblo, Colorado

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pueblo County, Colorado (the County), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

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## 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 activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pueblo County, Colorado, 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 13 and the budgetary comparison schedules, the schedule of changes in the County's net pension liability and related ratios, the schedule of the County's contributions to the Pueblo County Officers and Employees' Pension Plan, the schedule of the County's proportionate share of net pension liability, the schedule of contributions to the Colorado Public Employees' Retirement Association and the schedule of funding progress as listed in the table of contents on pages 89 through 99 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pueblo County, Colorado's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, the discretely presented component units financial statements, the local highway finance report and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules, the discretely presented component units' financial statements, the local highway finance report, and the schedule of expenditures of federal awards 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 combining and individual non-major fund financial statements and schedules, the local highway finance report, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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The introductory and statistical sections 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2017, on our consideration of Pueblo County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pueblo County, Colorado's internal control over financial reporting and compliance.

*McPherson, Brezyski, Durkin & Goodrich, PC*

September 18, 2017

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## MANAGEMENT DISCUSSION AND ANALYSIS

As management of Pueblo County, we offer readers of Pueblo County's financial statements this narrative overview and analysis of the financial activities of Pueblo County for the fiscal year ended December 31, 2016. We encourage you to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Pueblo County's basic financial statements. The basic financial statements include a series of financial statements that consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements.

The *Statement of Net Position* and the *Statement of Activities* (on pages 14 and 15) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending.

Fund financial statements, starting on page 17, also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds.

In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Pueblo County.

**Government-Wide Financial Statements.** Our analysis of the County as a whole begins on page 14. One of the most important questions asked about the County's finances is, "Is the County as a whole better or worse off as a result of the year's activities?" The *Statement of Net Position* and the *Statement of Activities* report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The *Statement of Net Position* presents information on net position, the residual of all other financial statement elements presented in a statement of financial position, for Pueblo County. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Pueblo County is improving or deteriorating.

The *Statement of Activities* presents information showing how Pueblo County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues 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 unused employee vacation leave).

The government-wide statements are divided into three categories: governmental activities, business-type activities, and discretely-presented component units. The governmental activities include most of the County's basic services such as public safety, road & bridge, and general government. Property taxes and state and federal grant funds finance most of these activities. Desert Hawk Golf Course is a business-type activity as customers are charged a fee to play the course. Discretely-presented component units are legally separate organizations that must be included in the financial report of the County since the County is financially accountable for these entities. Financial information for the discretely-presented component units is reported separately from the financial information presented for the County itself.

**Fund Financial Statements.** The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Pueblo County, like other governmental entities, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as State statutes. All of the funds of Pueblo County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

*Governmental Funds.* Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic functions are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash; and what monies at year-end will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps to determine if there are financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Pueblo County maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, the Social Services Fund and the Road and Bridge Fund, all of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the supplemental information of this report.

Pueblo County adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

*Proprietary Funds.* Pueblo County has one kind of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Pueblo County uses an enterprise fund to account for its Desert Hawk Golf Course.

*Fiduciary Funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside

the government. Pueblo County has five fiduciary funds, one of which is a pension trust fund and four of which are agency funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Pueblo County's own programs.

**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.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Pueblo County's progress in funding its obligation to provide pension and other post employment benefits to its employees.

## **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. Total assets plus deferred outflows of resources of the County exceeded total liabilities plus deferred inflows of resources by \$82,713,762 as of December 31, 2016.

The largest portion of the County's net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment). The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. The business-type activity net investment in capital assets portion of net position is offset by related debt. It should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate this liability.

Included in the long term liabilities in the governmental activities category are general obligation library bonds with an outstanding balance of \$3,145,000. The library is owned by the Library District and thus is not part of the capital assets for the County.

An additional portion of the County's net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position may be used to meet the government's daily cash flow needs and ongoing obligations to citizens and creditors. However, the unrestricted balance is negative \$95,339,871; therefore, none may be used to meet the government's ongoing obligations to citizens and creditors. The following table shows the net position balance was restated to \$88,858,587, reflecting a prior period adjustment of \$10,770,990, at the end of fiscal year 2015 due to the change in the measurement date used to estimate pension-related deferred inflows of resources, deferred outflows of resources and net pension liability. Therefore, the results of 2016 activities of the Pueblo County primary government decreased net position by \$6,144,825.

The statements of net position and change in net position follow:

### Pueblo County's Net Position

|                                  | <u>Governmental Activities</u> |                      | <u>Business-Type Activities</u> |                       | <u>Total</u>         |                      |
|----------------------------------|--------------------------------|----------------------|---------------------------------|-----------------------|----------------------|----------------------|
|                                  | <u>2016</u>                    | <u>2015</u>          | <u>2016</u>                     | <u>2015</u>           | <u>2016</u>          | <u>2015</u>          |
| Current and Other Assets         | \$ 114,349,999                 | \$ 117,741,622       | \$ 967,943                      | \$ 924,638            | \$ 115,317,942       | \$ 118,666,260       |
| Net Capital Assets               | 222,320,932                    | 226,460,848          | 5,103,685                       | 5,004,960             | 227,424,617          | 231,465,808          |
| Total Assets                     | 336,670,931                    | 344,202,470          | 6,071,628                       | 5,929,598             | 342,742,559          | 350,132,068          |
| Deferred Outflows of Resources   | 9,548,016                      | 10,270,673           | 244,331                         | 300,157               | 9,792,347            | 10,570,830           |
| Long-Term Liabilities            | 189,819,253                    | 189,272,779          | 10,078,678                      | 10,003,748            | 199,897,931          | 199,276,527          |
| Other Liabilities                | 12,145,415                     | 15,682,512           | 32,742                          | 30,303                | 12,178,157           | 15,712,815           |
| Total Liabilities                | 201,964,668                    | 204,955,291          | 10,111,420                      | 10,034,051            | 212,076,088          | 214,989,342          |
| Deferred Inflows of Resources    | 57,745,056                     | 56,854,969           | -                               | -                     | 57,745,056           | 56,854,969           |
| Net Position                     |                                |                      |                                 |                       |                      |                      |
| Net Investment in Capital Assets | 161,420,436                    | 164,623,352          | 1,256,212                       | 941,485               | 162,676,648          | 165,564,837          |
| Restricted                       | 15,376,985                     | 6,208,963            | -                               | -                     | 15,376,985           | 6,208,963            |
| Unrestricted                     | (90,288,198)                   | (78,169,432)         | (5,051,673)                     | (4,745,781)           | (95,339,871)         | (82,915,213)         |
| Total Net Position               | <u>\$ 86,509,223</u>           | <u>\$ 92,662,883</u> | <u>\$ (3,795,461)</u>           | <u>\$ (3,804,296)</u> | <u>\$ 82,713,762</u> | <u>\$ 88,858,587</u> |

The amounts reported as 2015 Governmental Activities are restated to reflect the change in measurement date for the County's Pension Plan.

## Pueblo County's Change In Net Position

|                                         | <u>Governmental Activities</u> |                      | <u>Business-Type Activities</u> |                       | <u>Total</u>         |                      |
|-----------------------------------------|--------------------------------|----------------------|---------------------------------|-----------------------|----------------------|----------------------|
|                                         | <u>2016</u>                    | <u>2015</u>          | <u>2016</u>                     | <u>2015</u>           | <u>2016</u>          | <u>2015</u>          |
| Revenues:                               |                                |                      |                                 |                       |                      |                      |
| Program Revenues:                       |                                |                      |                                 |                       |                      |                      |
| Charges for Service                     | \$ 15,956,101                  | \$ 9,830,016         | \$ 804,882                      | \$ 798,662            | \$ 16,760,983        | \$ 10,628,678        |
| Operating Grants & Contributions        | 39,655,895                     | 36,878,931           | -                               | -                     | 39,655,895           | 36,878,931           |
| Capital Grants & Contributions          | 2,641,810                      | 2,624,848            | 1,220                           | 13,420                | 2,643,030            | 2,638,268            |
| General Revenues:                       |                                |                      |                                 |                       |                      |                      |
| Property Taxes                          | 49,094,499                     | 47,622,988           | -                               | -                     | 49,094,499           | 47,622,988           |
| Other Taxes                             | 24,988,633                     | 23,055,905           | -                               | -                     | 24,988,633           | 23,055,905           |
| Unrestricted Investment Earnings        | 210,312                        | 329,384              | 3,379                           | 1,114                 | 213,691              | 330,498              |
| Other                                   | 543,885                        | 103,195              | -                               | -                     | 543,885              | 103,195              |
| Total Revenues                          | <u>133,091,135</u>             | <u>120,445,267</u>   | <u>809,481</u>                  | <u>813,196</u>        | <u>133,900,616</u>   | <u>121,258,463</u>   |
| Expenses:                               |                                |                      |                                 |                       |                      |                      |
| General                                 |                                |                      |                                 |                       |                      |                      |
| Government                              | 34,994,055                     | 34,792,349           | -                               | -                     | 34,994,055           | 34,792,349           |
| Public Safety                           | 37,167,291                     | 38,548,293           | -                               | -                     | 37,167,291           | 38,548,293           |
| Road & Bridge                           | 14,236,375                     | 14,857,669           | -                               | -                     | 14,236,375           | 14,857,669           |
| Health, Welfare & Sanitation            | 36,869,176                     | 37,266,477           | -                               | -                     | 36,869,176           | 37,266,477           |
| Culture and Recreation                  | 2,100,385                      | 1,866,629            | -                               | -                     | 2,100,385            | 1,866,629            |
| Conservation                            | 840,745                        | 908,255              | -                               | -                     | 840,745              | 908,255              |
| Urban Redevelopment & Housing           | 2,085,928                      | 2,614,315            | -                               | -                     | 2,085,928            | 2,614,315            |
| Economic Development & Assistance       | 5,908,510                      | 5,299,572            | -                               | -                     | 5,908,510            | 5,299,572            |
| Interest on Long-Term Debt              | 4,689,590                      | 4,808,570            | -                               | -                     | 4,689,590            | 4,808,570            |
| Desert Hawk Golf Course                 | -                              | -                    | 1,153,386                       | 1,183,711             | 1,153,386            | 1,183,711            |
| Total Expenses                          | <u>138,892,055</u>             | <u>140,962,129</u>   | <u>1,153,386</u>                | <u>1,183,711</u>      | <u>140,045,441</u>   | <u>142,145,840</u>   |
| Change in Net Position Before Transfers | (5,800,920)                    | (20,516,862)         | (343,905)                       | (370,515)             | (6,144,825)          | (20,887,377)         |
| Transfers                               | <u>(352,740)</u>               | <u>(308,863)</u>     | <u>352,740</u>                  | <u>308,863</u>        | <u>-</u>             | <u>-</u>             |
| Change in Net Position                  | (6,153,660)                    | (20,825,725)         | 8,835                           | (61,652)              | (6,144,825)          | (20,887,377)         |
| Net Position, Beginning, as Restated    | 92,662,883                     | 113,488,608          | (3,804,296)                     | (3,742,644)           | 88,858,587           | 109,745,964          |
| Net Position, Ending                    | <u>\$ 86,509,223</u>           | <u>\$ 92,662,883</u> | <u>\$ (3,795,461)</u>           | <u>\$ (3,804,296)</u> | <u>\$ 82,713,762</u> | <u>\$ 88,858,587</u> |

At the end of the current fiscal year, Pueblo County is able to report a positive balance in net position for the government as a whole and for its governmental activities. Its business-type activity represents the financial position for a golf course at Pueblo West that has been owned by the County since 2000.

The *Desert Hawk Golf Course* was purchased by the County from a private owner who was not able to properly maintain the golf course. In order to prevent a decline in property values at Pueblo West and to meet a recreational demand in the community, the County entered into an intergovernmental agreement with Pueblo West Metropolitan District (the District) to purchase, repair and manage the golf course at Pueblo West. The County remains optimistic the golf course will be self supporting after the COP debt, issued in 2005 to refinance the purchase, is retired; and remains supportive of this program in order to provide for the recreational needs of the community.

The negative balance in net position for the business-type activity is a result of annually generating insufficient fees from rounds of golf sold to pay operating and capital costs plus debt service since its inception in 2000.

**Governmental Activities.** Current and other assets decreased by \$3.3 million or 3% in 2016 from the prior year mostly due to a decrease in cash and cash equivalents. This decrease was offset by an increase of \$2.7 million in receivables over the prior period mostly due to an increase in grants receivable in the General Fund and Social Services Fund due to funds received between January 1st and February 29th. Property taxes receivable also increased due to higher assessed property values.

Net capital assets decreased \$4.1 million or 1.8% from the prior year due to depreciation exceeding the amount of new capital assets purchased.

Deferred outflows decreased \$700,000 due to the change in pension related projected and actual investment earnings.

Liabilities decreased \$3 million or 1.4% from the prior year due to a \$5.4 million decrease in advances from others relating to the recognition of hazardous waste fees in 2016. Long-term liabilities stayed relatively the same. Deferred inflows of resources increased almost \$900,000 or 1.6% due mainly to an increase in pension related changes.

As of December 31, 2015, the measurement date of January 1, 2014 was used to estimate the County's net pension liability and pension-related deferred outflows of resources and deferred inflows of resources for the Pueblo County Officers and Employees Pension Plan (pension plan). As of December 31, 2016, the measurement date used for the pension plan was January 1, 2016 and the measurement date for December 31, 2015 was changed to January 1, 2015. This change resulted in a prior period adjustment to net position of (\$10,770,990). This also impacted pension-related deferred outflows of resources by (\$4,886,690) and deferred inflows of resources by \$2,141,339. The net pension liability also increased by \$13,516,341.

Net position decreased \$6.0 million or 6.5% in the fiscal year as a result of governmental activities.

**Business-Type Activities.** Business-type activities decreased the County's net position by \$8,835 in

2016. As mentioned previously, the business-type activity for the County is the Desert Hawk Golf Course. The golf course has not been profitable due to the debt service payments on the COPs that financed the purchase of the course. The General Fund does not transfer funds to the enterprise to support operating expenses but does contribute toward debt repayments. The County and Pueblo West Metropolitan District are lending money to the Desert Hawk Golf Course in order to meet debt repayment requirements on COPs. Course operations are expected to begin to repay PWMD and the County after the COP debt is retired in 2024.

## **Financial Analysis of the County's Funds**

As noted earlier, Pueblo County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of Pueblo County's governmental funds is to provide information on near-term inflows, outflows, and balances of useable resources. Such information is useful in assessing Pueblo County's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Pueblo County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,880,827 while total fund balance was \$19,185,574. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 25% of General Fund expenditures in 2016 which is the same as 2015. General Fund fund balance increased by \$738,753 in 2016.

Social Service fund balance increased by \$103,983 which is attributed to property tax revenues used as matching dollars for the various grant programs not being fully utilized in 2016.

Road and Bridge fund balance decreased by \$127,862, due to several significant projects that began in 2016.

Fund balance in the Non-Major Governmental Funds decreased by \$1,804,559 in 2016 as a result of the purchase of a building that will be remodeled in order to move Department of Social Services employees out of a leased building in 2017.

**Budgetary Highlights.** The County revised its 2016 budget after the fiscal year end as allowed by state statute. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

An amendment to the 2016 General Fund was made to account for a transfer of funds to the capital expenditure fund in the amount of \$2,500,000 for purposes of purchasing and redevelopment of a building for the use of the Department of Social Services and \$200,000 to pay for projects funded by marijuana excise tax revenue. The Sheriff budget was increased by \$1,610,000 due to costs associated with a higher than anticipated inmate population in the jail, large workers compensation costs not anticipated in the original budget and overtime and supply costs related to fighting fires in the area. The Elections budget

also was increased due to a variety of costs necessary for the election that were not anticipated in the original budget.

**Proprietary Funds.** Pueblo County's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Net Position of the Desert Hawk Golf Course at the end of the fiscal year amounted to an accumulated deficit of \$3,795,461. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

## Capital Assets and Debt Administration

**Capital Assets.** Pueblo County's capital assets for its governmental and business-type activities at December 31, 2016 total \$222,320,932 and \$5,103,685 respectively (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, furniture, vehicles, and intangibles.

|                          | <u>Governmental Activities</u> |                       | <u>Business-Type Activities</u> |                     | <u>Total</u>          |                       |
|--------------------------|--------------------------------|-----------------------|---------------------------------|---------------------|-----------------------|-----------------------|
|                          | 2016                           | 2015                  | 2016                            | 2015                | 2016                  | 2015                  |
| Nondepreciable           | \$ 12,137,898                  | \$ 12,137,898         | \$ 4,402,683                    | \$ 4,402,683        | \$ 16,540,581         | \$ 16,540,581         |
| Buildings and            |                                |                       |                                 |                     |                       |                       |
| Improvements             | 108,212,332                    | 111,284,781           | 64,949                          | 73,329              | 108,277,281           | 111,358,110           |
| Machinery and Equipment  | 16,142,239                     | 9,049,302             | 270,048                         | 93,614              | 16,412,287            | 9,142,916             |
| Improvements Other than  |                                |                       |                                 |                     |                       |                       |
| Buildings                | -                              | -                     | 366,005                         | 435,334             | 366,005               | 435,334               |
| Infrastructure           | 78,563,498                     | 82,914,872            | -                               | -                   | 78,563,498            | 82,914,872            |
| Software Development     | 1,440,282                      | 1,474,845             | -                               | -                   | 1,440,282             | 1,474,845             |
| Construction in Progress | 5,824,683                      | 9,599,150             | -                               | -                   | 5,824,683             | 9,599,150             |
|                          | <u>\$ 222,320,932</u>          | <u>\$ 226,460,848</u> | <u>\$ 5,103,685</u>             | <u>\$ 5,004,960</u> | <u>\$ 227,424,617</u> | <u>\$ 231,465,808</u> |

More information on the County's capital assets can be found in the notes to the financial statements starting on page 49.

**Long-Term Debt.** As of December 31, 2016, Pueblo County had debt outstanding of \$95 million comprised of \$3 million of general obligation bonds, \$91 million of COPs debt and \$1 million of capital leases.

## General Obligation Bonds and Obligations Under Certificates of Participation and Capital Leases

|                               | <u>Governmental Activities</u> |                      | <u>Business-Type Activities</u> |                     | <u>Total</u>         |                      |
|-------------------------------|--------------------------------|----------------------|---------------------------------|---------------------|----------------------|----------------------|
|                               | 2016                           | 2015                 | 2016                            | 2015                | 2016                 | 2015                 |
| General Obligation Bonds      | \$ 3,189,931                   | \$ 4,175,783         | \$ -                            | \$ -                | \$ 3,189,931         | \$ 4,175,783         |
| Certificates of Participation | 86,843,164                     | 88,615,492           | 3,959,466                       | 4,363,632           | 90,802,630           | 92,979,124           |
| Subtotal                      | 90,033,095                     | 92,791,275           | 3,959,466                       | 4,363,632           | 93,992,561           | 97,154,907           |
| Capital Leases                | 976,345                        | 796,548              | 173,872                         | -                   | 1,150,217            | 796,548              |
| Total Debt                    | <u>\$ 91,009,440</u>           | <u>\$ 93,587,823</u> | <u>\$ 4,133,338</u>             | <u>\$ 4,363,632</u> | <u>\$ 95,142,778</u> | <u>\$ 97,951,455</u> |

The County's long-term debt financed by General Obligation Bonds, Certificates of Participation and Capital Leases decreased by \$2,808,677 million or (3)% during the period.

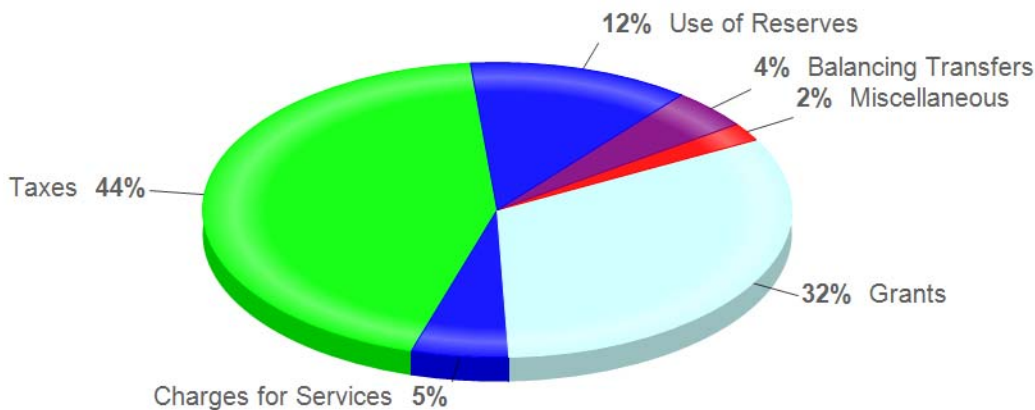
Colorado limits the amount of general obligation debt that a unit of government can issue to three percent of the total actual value of property located within that government's boundaries. The State debt

limitation for Pueblo County is \$359,321,209. Since the library bonds debt, COPs and capital leases are excluded in the State calculation of debt subject to the statutory debt limit, there is no debt outstanding against this limit. Information on the County's long-term debt is in the notes to the financial statements starting on page 53.

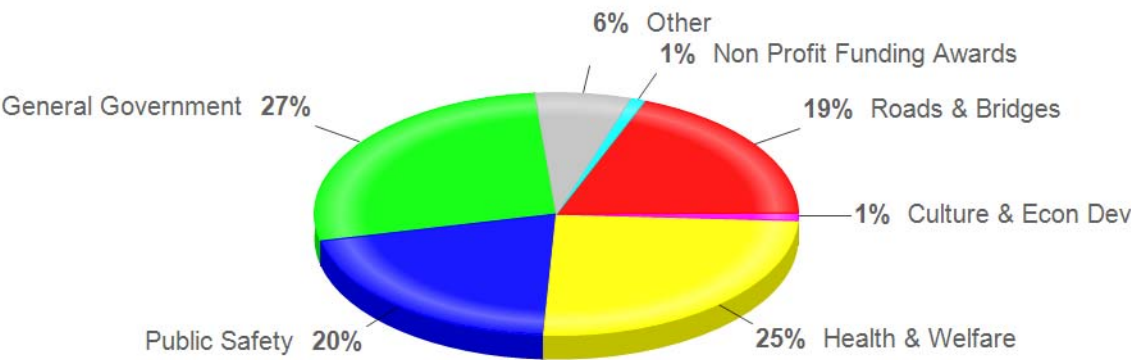
Projections

**Next Year’s Budget.** The County's 2017 budget is balanced. The budgeted unassigned general fund balance available to the County for 2017 was \$13,152,500 the 2017 budget anticipates spending \$8.9 million of these reserves to maintain current service levels. The county is adjusting to the increased maintenance needs of 2 new buildings as well as making debt payments and it is anticipated that reserves will help support the county operations for another few years. Graphs of next year's \$164 million budget (all funds combined) depicting allocation of revenues and expenditures by category follow.

Revenues by Category



Expenditures by Category



## **Economic Factors Affecting Next Year's Budget and Rates**

The following economic factors were considered in preparing the 2017 budget.

- Denver-Boulder-Greeley CPI rose 2.8% to 246.64 in 2016.
- Employment increased by 2.3% or 1,531 jobs versus a 1.0% increase for the State in 2016.
- The County's average unemployment rate in 2016 decreased to 4.0% from 4.9% for the previous year. This is higher than the State average of 3.0% and slightly below the national average of 4.7%.
- The number of new single family dwelling permits issued in Pueblo County for the year stood at 186, compared to 223 for 2015. This translates into a 17% decrease.
- Pueblo County Public Trustee data shows 501 foreclosure filings in 2016 or a 3.5% drop from the 519 filings reported for 2015.

Assigned fund balance in the General Fund ended the year at \$4,868,549 of which \$2,812,927 is included for spending in fiscal year 2017 budget. It is expected that the use of fund balance will avoid the need to raise taxes or reduce services in 2017.

## **Requests for Information**

This financial report is designed to provide a general overview of Pueblo County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Aimee Tihonovich, Budget and Finance Director, 215 W 10th Street, Suite 217 Pueblo, CO 81003-2945 or emailed to [aimee.tihonovich@co.pueblo.co.us](mailto:aimee.tihonovich@co.pueblo.co.us).

## **BASIC FINANCIAL STATEMENTS**

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**PUEBLO COUNTY, COLORADO**

**STATEMENT OF NET POSITION**

**DECEMBER 31, 2016**

|                                                 | Primary Government         |                             |               | Component<br>Units |
|-------------------------------------------------|----------------------------|-----------------------------|---------------|--------------------|
|                                                 | Governmental<br>Activities | Business-Type<br>Activities | Total         |                    |
| <b>ASSETS</b>                                   |                            |                             |               |                    |
| Cash and Cash Equivalents                       | \$ 4,900,816               | \$ 95,886                   | \$ 4,996,702  | \$ 414,676         |
| Investments                                     | 28,446,459                 | -                           | 28,446,459    | 66,348             |
| Receivables, Net                                | 65,630,783                 | 9,069                       | 65,639,852    | 69,199             |
| Internal Balances, Net                          | 212,760                    | (212,760)                   | -             | -                  |
| Inventories                                     | 836,758                    | -                           | 836,758       | -                  |
| Prepaid Expenses                                | 1,132,382                  | -                           | 1,132,382     | -                  |
| Unamortized Bond Insurance Costs                | 1,183,946                  | -                           | 1,183,946     | -                  |
| Restricted Cash and Cash Equivalents            | 12,006,095                 | 618,748                     | 12,624,843    | -                  |
| Land Held for Development                       | -                          | 457,000                     | 457,000       | -                  |
| Capital Assets:                                 |                            |                             |               |                    |
| Land and Water Rights                           | 11,901,088                 | 4,402,683                   | 16,303,771    | -                  |
| Easements and Right-of-Ways                     | 236,810                    | -                           | 236,810       | -                  |
| Construction in Progress                        | 5,824,683                  | -                           | 5,824,683     | -                  |
| Non-Depreciable Capital Assets                  | 17,962,581                 | 4,402,683                   | 22,365,264    | -                  |
| Buildings and Improvements                      | 108,212,332                | 64,949                      | 108,277,281   | -                  |
| Machinery and Equipment                         | 16,142,239                 | 270,048                     | 16,412,287    | 99,129             |
| Improvements other than Buildings               | -                          | 366,005                     | 366,005       | -                  |
| Infrastructure                                  | 78,563,498                 | -                           | 78,563,498    | -                  |
| Software Development                            | 1,440,282                  | -                           | 1,440,282     | -                  |
| Depreciable Capital Assets, Net                 | 204,358,351                | 701,002                     | 205,059,353   | 99,129             |
| Total Capital Assets, Net                       | 222,320,932                | 5,103,685                   | 227,424,617   | 99,129             |
| TOTAL ASSETS                                    | 336,670,931                | 6,071,628                   | 342,742,559   | 649,352            |
| <b>Deferred Outflows of Resources</b>           | 9,548,016                  | 244,331                     | 9,792,347     | -                  |
| <b>LIABILITIES</b>                              |                            |                             |               |                    |
| Accounts Payable and Accrued Expenses           | 6,830,240                  | 20,785                      | 6,851,025     | 16,859             |
| Due to Other Governmental Agencies              | 507,118                    | -                           | 507,118       | 14,822             |
| Advances from Others                            | 4,808,057                  | 11,957                      | 4,820,014     | -                  |
| Liabilities Due or Payable in One-Year or Less: |                            |                             |               |                    |
| Accrued Interest                                | 1,334,310                  | 15,640                      | 1,349,950     | -                  |
| General Obligation Bonds                        | 1,010,000                  | -                           | 1,010,000     | -                  |
| Certificates of Participation                   | 1,725,000                  | 425,000                     | 2,150,000     | -                  |
| Capital Leases                                  | 523,440                    | 41,534                      | 564,974       | -                  |
| Compensated Absences                            | 650,000                    | -                           | 650,000       | -                  |
| Estimated Claims and Judgments                  | 584,700                    | -                           | 584,700       | -                  |
| Liabilities Due or Payable after One-Year:      |                            |                             |               |                    |
| General Obligation Bonds, Net                   | 2,179,931                  | -                           | 2,179,931     | -                  |
| Certificates of Participation, Net              | 85,118,164                 | 3,534,466                   | 88,652,630    | -                  |
| Capital Lease                                   | 452,905                    | 132,338                     | 585,243       | -                  |
| Advances from Other Government                  | -                          | 5,929,700                   | 5,929,700     | -                  |
| Compensated Absences                            | 7,445,235                  | -                           | 7,445,235     | -                  |
| Estimated Claims and Judgments                  | 294,849                    | -                           | 294,849       | -                  |
| Net OPEB Obligation                             | 4,077,572                  | -                           | 4,077,572     | -                  |
| Net Pension Liability                           | 84,423,147                 | -                           | 84,423,147    | -                  |
| TOTAL LIABILITIES                               | 201,964,668                | 10,111,420                  | 212,076,088   | 31,681             |
| <b>Deferred Inflows of Resources</b>            | 57,745,056                 | -                           | 57,745,056    | -                  |
| <b>NET POSITION</b>                             |                            |                             |               |                    |
| Net Investment in Capital Assets                | 161,420,436                | 1,256,212                   | 162,676,648   | 99,129             |
| Restricted for:                                 |                            |                             |               |                    |
| TABOR                                           | 2,700,000                  | -                           | 2,700,000     | -                  |
| Capital Projects                                | 12,006,096                 | -                           | 12,006,096    | -                  |
| Other                                           | 670,889                    | -                           | 670,889       | -                  |
| Unrestricted                                    | (90,288,198)               | (5,051,673)                 | (95,339,871)  | 518,542            |
| TOTAL NET POSITION                              | \$ 86,509,223              | \$ (3,795,461)              | \$ 82,713,762 | \$ 617,671         |

The accompanying notes are an integral part of this statement.

**PUEBLO COUNTY, COLORADO**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2016**

| Function/Program Activities:           | Expenses            | Program Revenues     |                                    |                                  |
|----------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|
|                                        |                     | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Governmental Activities</b>         |                     |                      |                                    |                                  |
| General Government                     | \$ 34,994,055       | \$ 6,806,618         | \$ 1,852,793                       | \$ -                             |
| Public Safety                          | 37,167,291          | 8,322,770            | 3,991,826                          | 2,201,004                        |
| Road and Bridge                        | 14,236,375          | 298,744              | 5,399,417                          | 29,885                           |
| Health, Welfare and Sanitation         | 36,869,176          | 223,563              | 26,737,258                         | -                                |
| Culture and Recreation                 | 2,100,385           | 126,484              | -                                  | 410,921                          |
| Conservation                           | 840,745             | 121,577              | 261,383                            | -                                |
| Urban Redevelopment and Housing        | 2,085,928           | 56,345               | 1,246,083                          | -                                |
| Economic Development and Assistance    | 5,908,510           | -                    | 167,135                            | -                                |
| Interest on Long-Term Debt             | 4,689,590           | -                    | -                                  | -                                |
| Total Governmental Activities          | <u>138,892,055</u>  | <u>15,956,101</u>    | <u>39,655,895</u>                  | <u>2,641,810</u>                 |
| <b>Business-Type Activities</b>        |                     |                      |                                    |                                  |
| Desert Hawk Golf Course                | <u>1,153,386</u>    | <u>804,882</u>       | <u>-</u>                           | <u>1,220</u>                     |
| Total Primary Government               | <u>140,045,441</u>  | <u>16,760,983</u>    | <u>39,655,895</u>                  | <u>2,643,030</u>                 |
| <b>Component Units</b>                 |                     |                      |                                    |                                  |
| Emergency Telephone Service Authority  | 575,296             | 463,282              | -                                  | -                                |
| Runyon Sports Complex Commission, Inc. | <u>687,131</u>      | <u>585,590</u>       | <u>122,155</u>                     | <u>-</u>                         |
| Total Component Units                  | <u>\$ 1,262,427</u> | <u>\$ 1,048,872</u>  | <u>\$ 122,155</u>                  | <u>\$ -</u>                      |

**General Revenues**

Property Taxes Levied for -  
    General Purposes  
    Debt Service  
Excise Taxes  
Sales and Use Taxes  
Specific Ownership Taxes  
Unrestricted Investment Earnings  
Miscellaneous

**TRANSFERS**

    Total General Revenues and Transfers  
Change in Net Position  
Net Position, Beginning of Year, as Restated  
Net Position, End of Year

The accompanying notes are an integral part of this statement.

Net (Expenses) Revenue and  
Changes in Net Position

| Primary Government         |                             | Totals              | Component<br>Units |
|----------------------------|-----------------------------|---------------------|--------------------|
| Governmental<br>Activities | Business-Type<br>Activities |                     |                    |
| \$ (26,334,644)            | \$ -                        | \$ (26,334,644)     | \$ -               |
| (22,651,691)               | -                           | (22,651,691)        | -                  |
| (8,508,329)                | -                           | (8,508,329)         | -                  |
| (9,908,355)                | -                           | (9,908,355)         | -                  |
| (1,562,980)                | -                           | (1,562,980)         | -                  |
| (457,785)                  | -                           | (457,785)           | -                  |
| (783,500)                  | -                           | (783,500)           | -                  |
| (5,741,375)                | -                           | (5,741,375)         | -                  |
| (4,689,590)                | -                           | (4,689,590)         | -                  |
| <u>(80,638,249)</u>        | <u>-</u>                    | <u>(80,638,249)</u> | <u>-</u>           |
| -                          | (347,284)                   | (347,284)           | -                  |
| <u>(80,638,249)</u>        | <u>(347,284)</u>            | <u>(80,985,533)</u> | <u>-</u>           |
| -                          | -                           | -                   | (112,014)          |
| -                          | -                           | -                   | 20,614             |
| <u>\$ -</u>                | <u>\$ -</u>                 | <u>\$ -</u>         | <u>\$ (91,400)</u> |

|                      |                       |                      |                   |
|----------------------|-----------------------|----------------------|-------------------|
| \$ 47,958,041        | \$ -                  | \$ 47,958,041        | \$ -              |
| 1,136,458            | -                     | 1,136,458            | -                 |
| 359,780              | -                     | 359,780              | -                 |
| 20,227,334           | -                     | 20,227,334           | -                 |
| 4,401,519            | -                     | 4,401,519            | -                 |
| 210,312              | 3,379                 | 213,691              | 1,706             |
| 543,885              | -                     | 543,885              | 8,836             |
| <u>(352,740)</u>     | <u>352,740</u>        | <u>-</u>             | <u>-</u>          |
| 74,484,589           | 356,119               | 74,840,708           | 10,542            |
| (6,153,660)          | 8,835                 | (6,144,825)          | (80,858)          |
| 92,662,883           | (3,804,296)           | 88,858,587           | 698,529           |
| <u>\$ 86,509,223</u> | <u>\$ (3,795,461)</u> | <u>\$ 82,713,762</u> | <u>\$ 617,671</u> |

**PUEBLO COUNTY, COLORADO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2016**

|                                                                                   | General Fund         | Social<br>Services   | Road and<br>Bridge Fund | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-----------------------------------------------------------------------------------|----------------------|----------------------|-------------------------|------------------------------------|--------------------------------|
| <b>ASSETS</b>                                                                     |                      |                      |                         |                                    |                                |
| Cash and Cash Equivalents                                                         | \$ 788,201           | \$ 154,101           | \$ 99,127               | \$ 3,859,387                       | \$ 4,900,816                   |
| Investments                                                                       | 16,259,314           | 6,359,092            | 4,525,764               | 1,302,289                          | 28,446,459                     |
| Receivables, Net:                                                                 |                      |                      |                         |                                    |                                |
| Taxes                                                                             | 41,422,094           | 4,863,212            | 2,694,811               | 4,626,106                          | 53,606,223                     |
| Grants                                                                            | 3,761,092            | -                    | 338,993                 | 604,731                            | 4,704,816                      |
| Notes                                                                             | 1,423,078            | -                    | -                       | 388,724                            | 1,811,802                      |
| Interest                                                                          | 84,242               | -                    | -                       | -                                  | 84,242                         |
| Other Governments                                                                 | 48,115               | 2,651,763            | 568                     | 1,072                              | 2,701,518                      |
| Other Agencies                                                                    | 14,822               | -                    | -                       | 1,400,000                          | 1,414,822                      |
| Other                                                                             | 1,271,518            | 932                  | -                       | 34,910                             | 1,307,360                      |
| Inventories                                                                       | 129,095              | -                    | 534,248                 | 173,415                            | 836,758                        |
| Due from Other Funds                                                              | 484,188              | 2,112                | 11,661                  | 585,424                            | 1,083,385                      |
| Prepaid Items                                                                     | 279,441              | 185,518              | 1,466                   | -                                  | 466,425                        |
| Cash and Cash Equivalents - Restricted                                            | -                    | -                    | 11,385,446              | 620,649                            | 12,006,095                     |
| Advances to Other Funds                                                           | 395,000              | -                    | -                       | -                                  | 395,000                        |
| <b>TOTAL ASSETS</b>                                                               | <b>66,360,200</b>    | <b>14,216,730</b>    | <b>19,592,084</b>       | <b>13,596,707</b>                  | <b>113,765,721</b>             |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b>           |                      |                      |                         |                                    |                                |
| <b>LIABILITIES</b>                                                                |                      |                      |                         |                                    |                                |
| Accounts Payable                                                                  | 2,280,615            | 695,384              | 1,126,447               | 2,586,388                          | 6,688,834                      |
| Due to Other Governments                                                          | -                    | 507,118              | -                       | -                                  | 507,118                        |
| Due to Other Funds                                                                | 202,306              | 421,263              | 88,170                  | 158,886                            | 870,625                        |
| Advances from Others                                                              | 4,808,057            | -                    | -                       | -                                  | 4,808,057                      |
| Other Accrued Liabilities                                                         | 116,560              | 12,139               | 12,336                  | 371                                | 141,406                        |
| Advance from Other Funds                                                          | -                    | -                    | -                       | 395,000                            | 395,000                        |
| <b>TOTAL LIABILITIES</b>                                                          | <b>7,407,538</b>     | <b>1,635,904</b>     | <b>1,226,953</b>        | <b>3,140,645</b>                   | <b>13,411,040</b>              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                              | <b>39,767,088</b>    | <b>10,305,327</b>    | <b>1,644,966</b>        | <b>4,634,908</b>                   | <b>56,352,289</b>              |
| <b>FUND BALANCES</b>                                                              |                      |                      |                         |                                    |                                |
| Nonspendable                                                                      | 2,226,614            | 185,518              | 535,714                 | 1,400,000                          | 4,347,846                      |
| Restricted                                                                        | 2,816,741            | -                    | 11,385,446              | 1,174,797                          | 15,376,984                     |
| Committed                                                                         | 2,392,843            | -                    | -                       | -                                  | 2,392,843                      |
| Assigned                                                                          | 4,868,549            | 2,089,981            | 4,799,005               | 3,246,357                          | 15,003,892                     |
| Unassigned                                                                        | 6,880,827            | -                    | -                       | -                                  | 6,880,827                      |
| <b>TOTAL FUND BALANCES</b>                                                        | <b>19,185,574</b>    | <b>2,275,499</b>     | <b>16,720,165</b>       | <b>5,821,154</b>                   | <b>44,002,392</b>              |
| <b>TOTAL LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES AND FUND<br/>BALANCES</b> | <b>\$ 66,360,200</b> | <b>\$ 14,216,730</b> | <b>\$ 19,592,084</b>    | <b>\$ 13,596,707</b>               | <b>\$ 113,765,721</b>          |

The accompanying notes are an integral part of this statement.

**PUEBLO COUNTY, COLORADO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2016**

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** \$ 44,002,392

Total net position reported for governmental activities in the statement of net position is different because:

In the statement of net position, certain prepaid expenses are not reported as prepaid items on the governmental funds balance sheet. 665,957

Unamortized Bond Insurance Costs 1,183,946

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

|                               |                      |             |
|-------------------------------|----------------------|-------------|
| The cost of capital assets is | 380,166,705          |             |
| Accumulated depreciation is   | <u>(157,845,773)</u> | 222,320,932 |

Deferred outflows of resources, reported as deferred amounts on refunding and pension related deferred outflows of resources, are not financial resources and thus are not reported as assets in the governmental funds. 9,548,016

Long-term liabilities, including bonds payable, 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 consist of the following obligations:

|                                                                     |                     |                      |
|---------------------------------------------------------------------|---------------------|----------------------|
| General Obligation Bonds Payable                                    | (3,189,931)         |                      |
| Certificates of Participation Payable                               | (86,843,164)        |                      |
| Accrued Interest on Bonds and Certificates of Participation Payable | (1,334,310)         |                      |
| Capital Leases Payable                                              | (976,345)           |                      |
| Compensated Absences                                                | (8,095,235)         |                      |
| Claims and Judgments                                                | (879,549)           |                      |
| OPEB Obligation                                                     | (4,077,572)         |                      |
| Net Pension Liability                                               | <u>(84,423,147)</u> | <u>(189,819,253)</u> |

Deferred inflows of resources for amounts not received within the availability period are not reported as revenue in the governmental funds. (1,392,767)

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** **\$ 86,509,223**

The accompanying notes are an integral part of this statement.

**PUEBLO COUNTY, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                              | General Fund         | Social<br>Services  | Road and<br>Bridge Fund | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------|----------------------|---------------------|-------------------------|------------------------------------|--------------------------------|
| <b>REVENUES</b>                                              |                      |                     |                         |                                    |                                |
| Taxes:                                                       |                      |                     |                         |                                    |                                |
| Property Taxes, Net                                          | \$ 38,635,334        | \$ 4,531,355        | \$ 1,514,068            | \$ 4,413,742                       | \$ 49,094,499                  |
| Specific Ownership Taxes                                     | 3,563,151            | 408,599             | 135,807                 | 293,962                            | 4,401,519                      |
| Sales and Use Taxes                                          | 15,209,240           | -                   | 4,325,943               | 692,151                            | 20,227,334                     |
| Excise Taxes                                                 | -                    | -                   | -                       | 359,780                            | 359,780                        |
| Fees and Fines                                               | 47,752               | -                   | -                       | -                                  | 47,752                         |
| Licenses and Permits                                         | 1,690,831            | -                   | 5,290                   | -                                  | 1,696,121                      |
| Intergovernmental                                            | 13,585,456           | 23,573,066          | 700,343                 | 4,849,229                          | 42,708,094                     |
| State Highway Users Tax                                      | -                    | -                   | 4,962,444               | -                                  | 4,962,444                      |
| Charges for Services                                         | 7,422,926            | 11,630              | 702                     | 295,472                            | 7,730,730                      |
| Investment Earnings                                          | 123,035              | -                   | 73,516                  | 13,761                             | 210,312                        |
| Contributions and Private Grants                             | 262,858              | -                   | -                       | 211,804                            | 474,662                        |
| Other Revenues                                               | 960,109              | -                   | 17,332                  | 33,652                             | 1,011,093                      |
| <b>TOTAL REVENUES</b>                                        | <b>81,500,692</b>    | <b>28,524,650</b>   | <b>11,735,445</b>       | <b>11,163,553</b>                  | <b>132,924,340</b>             |
| <b>EXPENDITURES</b>                                          |                      |                     |                         |                                    |                                |
| Current:                                                     |                      |                     |                         |                                    |                                |
| General Government                                           | 27,788,383           | -                   | -                       | 2,958,196                          | 30,746,579                     |
| Public Safety                                                | 29,786,679           | -                   | -                       | 178,248                            | 29,964,927                     |
| Highways and Streets                                         | -                    | -                   | 7,315,322               | -                                  | 7,315,322                      |
| Health and Welfare                                           | 2,161,991            | 28,011,307          | -                       | 3,917,028                          | 34,090,326                     |
| Culture and Recreation                                       | 371,470              | -                   | -                       | 235,433                            | 606,903                        |
| Urban Development and Housing                                | -                    | -                   | -                       | 1,805,701                          | 1,805,701                      |
| Conservation                                                 | 869,951              | -                   | -                       | -                                  | 869,951                        |
| Economic Development Assistance                              | 5,512,934            | -                   | -                       | 293,748                            | 5,806,682                      |
| Intergovernmental                                            | 1,027,551            | -                   | 1,898,071               | 1,644,895                          | 4,570,517                      |
| Debt Service:                                                |                      |                     |                         |                                    |                                |
| Principal Retirement                                         | 2,039,839            | -                   | -                       | 970,000                            | 3,009,839                      |
| Interest and Fiscal Charges                                  | 4,564,256            | -                   | -                       | 165,138                            | 4,729,394                      |
| Capital Outlay                                               | 3,551,235            | 140,599             | 2,649,914               | 4,427,210                          | 10,768,958                     |
| <b>TOTAL EXPENDITURES</b>                                    | <b>77,674,289</b>    | <b>28,151,906</b>   | <b>11,863,307</b>       | <b>16,595,597</b>                  | <b>134,285,099</b>             |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>3,826,403</b>     | <b>372,744</b>      | <b>(127,862)</b>        | <b>(5,432,044)</b>                 | <b>(1,360,759)</b>             |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                      |                     |                         |                                    |                                |
| Issuance of Capital Lease                                    | -                    | -                   | -                       | 623,814                            | 623,814                        |
| Transfers In                                                 | 753,676              | -                   | -                       | 3,891,708                          | 4,645,384                      |
| Transfers Out                                                | (3,841,326)          | (268,761)           | -                       | (888,037)                          | (4,998,124)                    |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>              | <b>(3,087,650)</b>   | <b>(268,761)</b>    | <b>-</b>                | <b>3,627,485</b>                   | <b>271,074</b>                 |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>738,753</b>       | <b>103,983</b>      | <b>(127,862)</b>        | <b>(1,804,559)</b>                 | <b>(1,089,685)</b>             |
| <b>FUND BALANCES, January 1</b>                              | <b>18,446,821</b>    | <b>2,171,516</b>    | <b>16,848,027</b>       | <b>7,625,713</b>                   | <b>45,092,077</b>              |
| <b>FUND BALANCES - December 31</b>                           | <b>\$ 19,185,574</b> | <b>\$ 2,275,499</b> | <b>\$ 16,720,165</b>    | <b>\$ 5,821,154</b>                | <b>\$ 44,002,392</b>           |

The accompanying notes are an integral part of this statement.

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

Net Change in Fund Balance - Total Governmental Funds \$ (1,089,685)

Amounts reported for governmental activities in the statement of activities differ as follows:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

|                               |                     |             |
|-------------------------------|---------------------|-------------|
| Cost of Assets Capitalized \$ | 9,529,756           |             |
| Depreciation Expense          | <u>(12,592,732)</u> | (3,062,976) |

|                                                                                                                                                                                               |        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| In the statement of activities, donations of capital assets are reported as program revenues. However, these do not represent a current financial resource, so are not reported in the funds. | 64,736 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|

In the statement of activities, the loss on the disposition of capital assets is reported. The loss is not a use of current resources and thus is not reported in the funds. The loss on disposal of capital assets is calculated as follows:

|                                             |                  |             |
|---------------------------------------------|------------------|-------------|
| Cost of Assets Disposed                     | (3,131,569)      |             |
| Accumulated Depreciation of Assets Disposed | <u>1,989,893</u> | (1,141,676) |

|                                                                                                                                                                                                                                                                                                                                                                                          |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Recognition and measurement of the changes in deferred outflows of resources, including deferred amounts on refunding and pension-related deferred outflows 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 as such. | (722,657) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                                                                   |         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Deferred inflows of resources for amounts not received within the availability period and pension-related deferred inflows are not reported as revenue in the governmental funds. | 545,884 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

|                                                                                                                                                                                                                                                                                                                                                   |           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| In the statement of activities, certain operating expenses such as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount actually paid. This year, compensated absences paid (650,785) was less than the amounts earned (862,137). | (211,352) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                                                                                                        |         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Some expenses (estimated claims and judgments) reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | 316,327 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

|                                                                                                                                       |           |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------|
| In the statement of net position, certain prepaid expenses are not reported as prepaid items on the governmental funds balance sheet. | (137,464) |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                            |           |
|--------------------------------------------------------------------------------------------|-----------|
| Change in carrying value of the net OPEB obligation is not reported in governmental funds. | (654,886) |
|--------------------------------------------------------------------------------------------|-----------|

|                                                                                              |             |
|----------------------------------------------------------------------------------------------|-------------|
| Change in carrying value of the net pension liability is not reported in governmental funds. | (2,605,557) |
|----------------------------------------------------------------------------------------------|-------------|

The accompanying notes are an integral part of this statement.

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

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance and insurance costs, premiums, discounts, and similar items when debt is first issued; whereas insurance costs, premiums and discounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of bonds and other obligations is as follows:

|                                                                       |               |                              |
|-----------------------------------------------------------------------|---------------|------------------------------|
| Issuance of Capital Leases                                            | (623,814)     |                              |
| Principal Paid on General Obligation Bonds, COPs and Capital Leases   | 3,064,016     |                              |
| Interest Expense on General Obligation Bonds, COPs and Capital Leases | 30,612        |                              |
| Amortization of Bond Insurance Costs, Discounts and Premiums          | <u>74,832</u> | <u>2,545,646</u>             |
| Change in Net Position of Governmental Activities                     |               | <u><u>\$ (6,153,660)</u></u> |

The accompanying notes are an integral part of this statement.

**PUEBLO COUNTY, COLORADO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**DECEMBER 31, 2016**

|                                                   | Enterprise Fund<br>Desert Hawk Golf<br>Course |
|---------------------------------------------------|-----------------------------------------------|
| <b>ASSETS</b>                                     |                                               |
| <b>CURRENT ASSETS</b>                             |                                               |
| Cash and Cash Equivalents                         | \$ 95,886                                     |
| Accounts Receivable                               | 9,069                                         |
| TOTAL CURRENT ASSETS                              | <u>104,955</u>                                |
| <b>NONCURRENT ASSETS</b>                          |                                               |
| Capital Assets -                                  |                                               |
| Land                                              | 4,402,683                                     |
| Buildings                                         | 362,041                                       |
| Improvements                                      | 1,486,619                                     |
| Machinery and Equipment                           | 993,261                                       |
| Accumulated Depreciation                          | <u>(2,140,919)</u>                            |
| TOTAL CAPITAL ASSETS                              | 5,103,685                                     |
| Other Assets -                                    |                                               |
| Cash and Equivalents, Restricted for Debt Service | 618,748                                       |
| Land Held for Development                         | <u>457,000</u>                                |
| TOTAL OTHER ASSETS                                | 1,075,748                                     |
| TOTAL NONCURRENT ASSETS                           | <u>6,179,433</u>                              |
| TOTAL ASSETS                                      | <u>6,284,388</u>                              |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>             | <u>244,331</u>                                |
| <b>LIABILITIES</b>                                |                                               |
| <b>CURRENT LIABILITIES</b>                        |                                               |
| Accounts Payable and Accrued Expenses             | 20,785                                        |
| Due to Other Funds                                | 212,760                                       |
| Accrued Interest Payable                          | 15,640                                        |
| Certificates of Participation Payable             | 425,000                                       |
| Short Term Capital Lease Obligation               | 41,534                                        |
| Advances from Others                              | <u>11,957</u>                                 |
| TOTAL CURRENT LIABILITIES                         | <u>727,676</u>                                |
| <b>LONG-TERM LIABILITIES</b>                      |                                               |
| Certificates of Participation Payable, Net        | 3,534,466                                     |
| Long-Term Capital Lease Payable                   | 132,338                                       |
| Advance on Purchase Option from Other Government  | 457,000                                       |
| Advance on Water Payments                         | 1,279,813                                     |
| Loan Payable to Other Government                  | <u>4,192,887</u>                              |
| TOTAL LONG-TERM LIABILITIES                       | <u>9,596,504</u>                              |
| TOTAL LIABILITIES                                 | <u>10,324,180</u>                             |
| <b>NET POSITION</b>                               |                                               |
| Net Investment in Capital Assets                  | 1,256,212                                     |
| Unrestricted (Deficit)                            | <u>(5,051,673)</u>                            |
| TOTAL NET POSITION (DEFICIT)                      | <u>\$ (3,795,461)</u>                         |

The accompanying notes are an integral part of this statement.

**PUEBLO COUNTY, COLORADO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                           |                                                |
|-----------------------------------------------------------|------------------------------------------------|
|                                                           | Enterprise Funds<br>Desert Hawk<br>Golf Course |
| <b>OPERATING REVENUE</b>                                  |                                                |
| Charges for Services                                      | \$ 804,882                                     |
| <b>TOTAL OPERATING REVENUE</b>                            | <u>804,882</u>                                 |
| <b>OPERATING EXPENSES</b>                                 |                                                |
| Personnel Services                                        | 29,228                                         |
| Contract Fees                                             | 319,987                                        |
| Supplies                                                  | 134,062                                        |
| Professional Services                                     | 13,001                                         |
| Insurance                                                 | 12,389                                         |
| Repair and Maintenance                                    | 53,100                                         |
| Depreciation                                              | 120,233                                        |
| Utilities and Communications                              | 196,346                                        |
| Equipment Rent                                            | 3,319                                          |
| Miscellaneous Expenses                                    | 112                                            |
| <b>TOTAL OPERATING EXPENSES</b>                           | <u>881,777</u>                                 |
| <b>OPERATING INCOME (LOSS)</b>                            | <u>(76,895)</u>                                |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                   |                                                |
| Investment Earnings                                       | 3,379                                          |
| Interest and Fiscal Charges                               | (271,608)                                      |
| <b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>             | <u>(268,229)</u>                               |
| <b>INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b> | <u>(345,124)</u>                               |
| Capital Contributions                                     | 1,220                                          |
| Transfers In                                              | <u>352,740</u>                                 |
| <b>CHANGE IN NET POSITION</b>                             | 8,836                                          |
| <b>NET POSITION (DEFICIT) JANUARY 1</b>                   | <u>(3,804,296)</u>                             |
| <b>NET POSITION (DEFICIT) DECEMBER 31</b>                 | <u><u>\$ (3,795,460)</u></u>                   |

The accompanying notes are an integral part of this statement.

**PUEBLO COUNTY, COLORADO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                                                                       | Enterprise<br>Fund<br>Desert Hawk<br>Golf Course |
|-------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>Cash Flows from Operating Activities</b>                                                           |                                                  |
| Receipts from Customers                                                                               | \$ 799,205                                       |
| Payments to Suppliers for Goods and Services                                                          | (733,552)                                        |
| Payments to Employees                                                                                 | (28,946)                                         |
| Net Cash Provided by Operating Activities                                                             | <u>36,707</u>                                    |
| <b>Cash Flows from Non-Capital Financing Activities</b>                                               |                                                  |
| Transfers In                                                                                          | 352,740                                          |
| Advances from Other Funds                                                                             | 45                                               |
| Advances from Other Governments                                                                       | 306,729                                          |
| Net Cash Provided by Noncapital Financing Activities                                                  | <u>659,514</u>                                   |
| <b>Cash Flows from Capital and Related Financing Activities</b>                                       |                                                  |
| Principal Paid on Certificates of Participation                                                       | (410,000)                                        |
| Principal Paid on Capital Leases                                                                      | (41,918)                                         |
| Interest and Fiscal Charges                                                                           | (211,453)                                        |
| Acquisition of Capital Assets                                                                         | (3,168)                                          |
| Capital Contributions                                                                                 | 1,220                                            |
| Net Cash Used by Capital and Related Financing Activities                                             | <u>(665,319)</u>                                 |
| <b>Cash Flows from Investing Activities</b>                                                           |                                                  |
| Interest                                                                                              | <u>3,379</u>                                     |
| Net Cash Provided by Investing Activities                                                             | <u>3,379</u>                                     |
| <b>Net Increase in Cash and Cash Equivalents</b>                                                      | 34,281                                           |
| <b>Cash and Cash Equivalents at Beginning of Year</b>                                                 | <u>680,353</u>                                   |
| <b>Cash and Cash Equivalents at End of Year</b>                                                       | <u><u>\$ 714,634</u></u>                         |
| <br>Displayed as:                                                                                     |                                                  |
| Cash and Cash Equivalents                                                                             | \$ 95,886                                        |
| Cash and Cash Equivalents, Restricted for Debt Service                                                | 618,748                                          |
|                                                                                                       | <u><u>\$ 714,634</u></u>                         |
| <br><b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>    |                                                  |
| Operating Income (Loss)                                                                               | \$ (76,895)                                      |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: |                                                  |
| Depreciation Expense                                                                                  | 120,233                                          |
| Change in Assets and Liabilities -                                                                    |                                                  |
| Accounts Receivable                                                                                   | (9,069)                                          |
| Accounts Payable and Accrued Expenses                                                                 | (953)                                            |
| Advances from Others                                                                                  | 3,392                                            |
| Net Cash Used by Operating Activities                                                                 | <u><u>\$ 36,708</u></u>                          |
| Non-Cash Capital and Related Financing Activities                                                     |                                                  |
| Capital Assets Purchased and Related Borrowing Under Capital Lease                                    | <u><u>\$ 173,872</u></u>                         |

The accompanying notes are an integral part of this statement.

**PUEBLO COUNTY, COLORADO**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2016**

|                                        | Pension<br>Trust<br>Fund | Agency<br>Funds     |
|----------------------------------------|--------------------------|---------------------|
| <b>ASSETS</b>                          |                          |                     |
| Cash and Cash Equivalents              | \$ 1,343,205             | \$ 4,905,719        |
| Receivables, Net                       | 1,351,154                | -                   |
| Receivables, Interest and Dividends    | 16,482                   | -                   |
| Investments, at Fair Value:            |                          |                     |
| Investment Contracts                   | 16,739,996               | -                   |
| Publicly Traded Partnerships           | 25,368,501               | -                   |
| Equity Mutual Funds                    | 32,705,236               | -                   |
| Fixed Income Securities                | 13,031,623               | -                   |
| Other Equity Securities                | 39,362,076               | -                   |
|                                        | <u>129,918,273</u>       | <u>4,905,719</u>    |
| <b>TOTAL ASSETS</b>                    |                          |                     |
|                                        | <u>129,918,273</u>       | <u>4,905,719</u>    |
| <b>LIABILITIES</b>                     |                          |                     |
| Accounts Payable                       | 94,623                   | -                   |
| Due to Other Governments               | -                        | 4,473,885           |
| Due to Developers                      | -                        | 423,983             |
| Due to Victims and Insurance Companies | -                        | 7,851               |
| Other Payables                         | 48,181                   | -                   |
|                                        | <u>142,804</u>           | <u>\$ 4,905,719</u> |
| <b>TOTAL LIABILITIES</b>               |                          |                     |
|                                        | <u>142,804</u>           | <u>\$ 4,905,719</u> |
| <b>NET POSITION</b>                    |                          |                     |
| Restricted for Plan Benefits           | <u>\$ 129,775,469</u>    |                     |

The accompanying notes are an integral part of this statement.

**PUEBLO COUNTY, COLORADO**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                              | Pension<br>Trust<br>Fund         |
|--------------------------------------------------------------|----------------------------------|
| <b>ADDITIONS</b>                                             |                                  |
| Contributions:                                               |                                  |
| Employer                                                     | \$ 4,063,248                     |
| Plan Members                                                 | 4,063,248                        |
| Total Contributions                                          | <u>8,126,496</u>                 |
| Investment Earnings:                                         |                                  |
| Net Appreciation (Depreciation) in Fair Value of Investments | 7,354,828                        |
| Interest and Dividends                                       | 2,545,406                        |
| Total Investment Income                                      | <u>9,900,234</u>                 |
| Investment Activity Expense                                  | <u>(350,048)</u>                 |
| Net Investment Earnings                                      | <u>9,550,186</u>                 |
| <br>TOTAL ADDITIONS                                          | <br><u>17,676,682</u>            |
| <b>DEDUCTIONS</b>                                            |                                  |
| Benefit Payments:                                            |                                  |
| Retirement Benefits                                          | 10,405,360                       |
| Refunds of Contributions                                     | 828,425                          |
| Total Benefit Payments                                       | <u>11,233,785</u>                |
| <br>Administrative Expenses:                                 |                                  |
| Administrative Costs                                         | <u>202,669</u>                   |
| Total Administrative Expenses                                | <u>202,669</u>                   |
| <br>TOTAL DEDUCTIONS                                         | <br><u>11,436,454</u>            |
| <br><b>CHANGE IN NET POSITION</b>                            | <br><br>6,240,228                |
| <br><b>NET POSITION RESTRICTED FOR PLAN BENEFITS</b>         |                                  |
| <b>AT BEGINNING OF YEAR</b>                                  | <br><u>123,535,241</u>           |
| <br><b>NET POSITION RESTRICTED FOR PLAN BENEFITS</b>         |                                  |
| <b>AT END OF YEAR</b>                                        | <br><u><u>\$ 129,775,469</u></u> |

The accompanying notes are an integral part of this statement.

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## **NOTES TO FINANCIAL STATEMENTS**

**PUEBLO COUNTY, COLORADO**  
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**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting standards and financial reporting principles. A summary of Pueblo County's significant accounting policies applied in the preparation of these financial statements follows:

**NOTE A - REPORTING ENTITY**

Pueblo County, Colorado (the County) was formed in 1861 and is a political subdivision of the state of Colorado, governed by an elected three-member Board of County Commissioners. There are also seven other elected officials of the County (Assessor, Clerk and Recorder, Coroner, District Attorney, Sheriff, Surveyor and Treasurer). The County provides the following services: public safety (sheriff, jail and coroner), planning and zoning, judicial, health and welfare, culture and recreation, public improvements, and general administrative services.

All financial transactions of the elected officials' offices of the County are included in the General Fund. The Board of County Commissioners has budgetary authority over the elected officials and is accountable for all fiscal matters. Property taxes fund a significant portion of the costs of operating the elected officials' offices. Services provided by the elected officials are for the benefit of Pueblo County residents and are conducted within the boundaries of the County.

As required by generally accepted accounting principles (GAAP), the accompanying financial statements present the County (the primary government) and its component units, which are entities for which the primary government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the government's operations and, consequently, data from these units are combined with data of the primary government. The discretely-presented component units, however, are reported separately in the government-wide financial statements to emphasize that they are legally separate from the government. Each blended and discretely presented component unit has a December 31 year end.

**Blended Component Units**

The financial statements of the following component unit has been "blended" with those of the County because (1) its governing body is substantially the same as the governing body of the County and there is a financial benefit or burden relationship between the County and the component unit or management of the County has operational responsibility for the component unit. Other criteria that are considered for "blending" component units include (2) whether the component unit provides services entirely, or almost entirely, to the County, and (3) whether the component unit's total debt outstanding, including leases, is expected to be repaid entirely, or almost entirely, with resources of the County.

*The Pueblo County Capital Construction Corporation (PCCCC) was formed in 1989 and exists for the purpose of constructing and financing major County facilities. PCCCC is the financing vehicle used to*

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**NOTE A - REPORTING ENTITY, Continued**

facilitate the acquisition and improvement of a municipal golf course known as Desert Hawk Golf Course at Pueblo West (the golf course). PCCCC is a non-profit public benefit corporation that leases the golf course to the County under an annually renewable lease-purchase agreement. PCCCC issued certificates of participation, the proceeds of which were used for the acquisition and improvement of the golf course.

The lease payments made by the County to PCCCC are used to retire the certificates of participation. In conjunction with the operation of the golf course, the County entered into an agreement with the Pueblo West Metropolitan District (the District) that created a management board to promote, operate, develop and maintain the golf course. The board is composed of seven members, three of whom are appointed by the County, three are appointed by the District, and one member is jointly appointed. The agreement requires the board to submit a proposed annual operating budget to the County and the District for their approval. Beginning in the calendar year 2005 and going forward, the District and the County each fund one-half of the annual debt service requirements. The repayment of the amounts advanced by the District to the enterprise is based upon the cumulative loan balances as of the end of the prior calendar year. The total annual repayment to both the County and District is limited to \$500,000 per year. The agreement also requires the District to treat the charge for untreated water provided to the golf course through December 2010 as additional non-interest bearing loans if not covered by annual revenues. The agreement also provides that upon the complete retirement of the certificates of participation, as well as any loans and advances made to the enterprise by both the County and the District and any other indebtedness of the enterprise, the title ownership of the golf course shall be transferred to joint and general ownership of the County and the District. The financial activity of the PCCCC has been blended into the County's CAFR in the government-wide business-type activities and in the fund financial statements as the Desert Hawk Golf Course at Pueblo West proprietary fund. PCCCC is included as a blended component unit because the component unit's total debt outstanding, including leases, is expected to be repaid entirely, or almost entirely, with resources of the County.

**Discretely Presented Component Units**

The financial statements of the following component units have been "discretely presented" in the accompanying report because they do not meet the previously described criteria for reporting as blended component units even though they are generally considered financially accountable.

*Pueblo County Emergency Telephone Service Authority* (the Authority) was formed December 9, 2003 by the Board of County Commissioners to account for revenues derived from special telephone surcharges which are used to purchase and maintain enhanced 911 equipment and related activities as allowed by Colorado Revised Statutes. The activities of the Authority are governed by a board composed of seven members, five of whom are appointed by the County, one appointed by the Town of Boone, Colorado and one appointed by the Town of Rye, Colorado. The Authority may be dissolved by mutual agreement of a majority of the parties involved. All accounting and administrative functions of the Authority are performed by the County. The Authority is presented as a business-type activity. The Authority is included as a discretely-presented component unit because the Board of County Commissioners appoints

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**NOTE A - REPORTING ENTITY, Continued**

a voting majority of the Authority's governing body and is able to modify the decisions of the Authority's governing body and there exist specific financial benefits to and specific financial burdens on the County. Separately-issued financial statements of the Pueblo County Emergency Telephone Service Authority are not available.

*Runyon Sports Complex Commission, Inc* (the Commission) is a Colorado nonprofit corporation formed in 1993 by the Board of County Commissioners for the purpose of developing and coordinating baseball and other sports and recreation programs utilizing the Runyon Sports Complex. The activities of the Commission are governed by a board composed of nine members all of whom are appointed by the County. The Commission may only be dissolved by action of the Board of County Commissioners. The County provides financial assistance to the operations of the Commission. The Commission is presented as a business-type activity. The Commission is included as a discretely-presented component unit because the Board of County Commissioners appoints a voting majority of the Commission's governing body and is able to modify the decisions of the Commission's governing body and there exists specific financial benefits to and specific financial burdens on the County. Separately-issued financial statements of the Runyon Sports Complex Commission, Inc. are not available.

**NOTE B - GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Financial information of the County and its discretely-presented component units is presented as follows:

- *Management's Discussion and Analysis* introduces the basic financial statements and provides an analytical overview of the County's financial activities.
- *Basic Financial Statements:* Government-wide financial statements consist of a statement of net position and a statement of activities. For the most part, the effect of interfund activity has been removed from these statements.

These statements report all of the non-fiduciary activities of the primary government and its component units. Governmental activities are reported separately from business-type activities. Governmental activities are normally supported by taxes and intergovernmental revenues whereas business-type activities are normally supported by fees and charges for services and are usually intended by management to be financially self-sustaining. The fiduciary funds of the primary government are not included in the government-wide financial statements; however, separate financial statements are presented.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the County and for each function of the County's governmental activities.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**NOTE B - GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS, Continued**

Direct expenses are those that are clearly identifiable with a specific program or function. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Revenues that are not classified as program revenues, including all taxes and other items are presented as general revenues.

- *Fund Financial Statements* consist of a series of statements focusing on information about the County's major governmental and enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

**NOTE C - MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements, except that agency funds, as they are merely custodial funds, do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. On an accrual basis, property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when 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, sales and use taxes, specific ownership taxes, state-shared taxes, grant and entitlement revenues, interest and charges for services are considered revenues susceptible to accrual and have been recognized as revenues of the current fiscal period. Other receipts, fines, licenses, and permits are not

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**NOTE C - MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND STATEMENT PRESENTATION, Continued**

susceptible to accrual because they are not generally measurable until received in cash. Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

The County reports the following major governmental funds:

- The **General Fund** is the primary operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources of the County except those required to be accounted for in another fund. Major revenue sources include property taxes, sales and use taxes, specific ownership taxes, charges for services, intergovernmental revenues and investment revenue. Primary expenditures are for general administration, public safety, judicial, planning and zoning, property valuation, tax collection and distribution, vehicle licensing, and capital acquisition.
- The **Social Services Fund** is a special revenue fund used to administer human services programs under state and federal regulations. Programs include, but are not limited to, Medicaid, food stamps, foster care programs, senior service programs, job training services, and temporary assistance to needy families (TANF). Financing sources are from federal and state grants together with dedicated property taxes, sales taxes and specific ownership taxes. Colorado counties are required by state law to maintain a human services fund.
- The **Road & Bridge Fund** is a special revenue fund used to administer projects related to County road and bridge construction and maintenance and traffic engineering. Financing sources are from dedicated property taxes, federal and state grants and state highway users tax. By state law, Colorado counties are required to maintain a road and bridge fund and a portion of road and bridge taxes is allocated to cities and towns for use in their road and street activities.

The County reports the following major proprietary fund:

- The **Desert Hawk Golf Course at Pueblo West Fund** accounts for the operations of a golf course known as Desert Hawk at Pueblo West, Colorado.

Additionally, the County reports the following fund types:

Governmental Funds:

- **Special revenue funds** are used to account for revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects. Such funds are

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**NOTE C - MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND STATEMENT PRESENTATION, Continued**

established when required by statute, resolution, or executive decision to finance particular functions or activities. The other special revenue funds are:

- |                                     |                              |
|-------------------------------------|------------------------------|
| ▪ Employee Retirement               | ▪ Housing and Human Services |
| ▪ Board of Developmental Disability | ▪ Excise Tax                 |
| ▪ Pueblo County Housing             | ▪ Detention Commissary       |
| ▪ Conservation Trust                | ▪ Subdivision Park Site Fee  |
| ▪ Department of Aging Services      | ▪ Fire Hydrant Impact Fee    |

- **Capital projects funds** are used to account and report financial resources that are restricted, committed or assigned to expenditures for capital outlay (other than those financed by business-type/proprietary funds). The Capital Projects Fund and the Capital Expenditure Fund are other non-major capital projects funds of the County.
- **Debt service funds** are used to account and report financial resources that are restricted, committed or assigned to expenditures of general long-term debt principal and interest on general obligation debt. The County reports the following debt service fund:
  - **Library Debt Service Fund** accounts for the accumulation of ad valorem property taxes and the payment of principal and interest on Pueblo County general obligation refunding bonds series 2005 issue of \$9,645,000.

**Fiduciary Funds:**

- **Pension Trust Fund** accounts for the activities of the Pueblo County Officers and Employees Pension Plan, (the Plan). The Plan accumulates resources for the benefit of qualified employees. The Plan issued a standalone plan financial report for the year ended December 31, 2016, which can be obtained by contacting the Plan administrator at 215 W. 10th Street, Pueblo, Colorado 81003.
- **Agency funds** account for assets held for other governments or individuals in an agency capacity. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds are accounted for using the accrual basis of accounting. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The County's agency funds account for (1) the collection of property taxes billed and collected by the County on behalf of other taxing entities; (2) deposits collected from land developers pertaining to current land development projects; (3) the collection of monetary restitution damages from defendants and the payment to victims of crimes; and (4) contributions made to the Enterprise Zone administrator paid to various not-for-profit organizations.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**NOTE C - MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND STATEMENT PRESENTATION, Continued**

The effect of interfund activity generally has been eliminated from the government-wide financial statements. Exceptions to this practice include payments and other charges between the County's proprietary fund and the road and bridge fund and charges for sales of goods and services between various functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Desert Hawk Golf Course at Pueblo West are charges to customers for sales and services. Operating expenses for the enterprise fund include costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**NOTE D - NEW ACCOUNTING PRONOUNCEMENTS**

The GASB issued Statement No. 72, Fair Value Measurement and Application, in February 2015. The objective of GASB 72 is to address accounting and financial reporting issues related to fair value measurements. The Statement provides guidance for determining a fair value measurement for financial reporting as well as provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The GASB issued Statement No. 77, Tax Abatement Disclosures, in August 2015. The objective of GASB 77 is to provide financial statement users with essential information about the reduction in tax revenues through tax abatement programs. The information is intended to at a minimum assist users in assessing 1) whether a government's current year revenues were sufficient to pay for current year expenses, 2) whether a government complied with finance-related legal and contractual obligations, 3) where a government's financial resources come from and how they are used, and 4) a government's financial position and economic condition and how they have changed over time.

**NOTE E - ASSETS, LIABILITIES, AND NET POSITION/EQUITY**

**1. Pooled Cash and Investments.** The Pueblo County Treasurer maintains an investment pool of most of the cash resources, including cash resources of the Pueblo County Emergency Telephone Service Authority, a discretely-presented component unit. State statutes specify investment instruments in which the County may invest and require that public deposits be placed only in eligible public depositories in Colorado. Investments are reported at fair value and all investment revenue, including changes in the fair value of investments, is reported as revenue in the statements of revenues, expenditures and changes in fund balance. Available cash is invested temporarily in certificates of deposits, money market accounts

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**NOTE E - ASSETS, LIABILITIES, AND NET POSITION/EQUITY, Continued**

or other highly liquid investments. Each funds' portion of this pool is reported as cash and cash equivalents while accrued interest receivable is displayed separately. The amount of interest earned from secured investments is credited to the General Fund based on Colorado state statutes, except for the department of aging services, subdivision park site fee and fire hydrant impact fee special revenue funds. In addition, because the treasury pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

The U.S. treasury notes, agency securities and negotiable certificates of deposit represent the County's investments that are reported at fair value. Fair value has been estimated based on quoted market price. The remaining investments, reported as cash and cash equivalents, are the Colorado Liquid Asset Trust (Colo Trust) that is reported at fair value and the Colorado Surplus Asset Fund Trust (C-Safe) investment pool that is reported at amortized cost as allowed under GAAP. Both investment pools are external investment pools that are not registered with the SEC as investment companies, but each pool has a policy that it will, and does, 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 market value in computing share prices if certain conditions are met. The regulatory oversight for both investment pools rests with the Colorado Securities Commission and the fair value of the County's investments in each pool is the same as the value of the respective pool's shares.

**2. Cash Equivalents.** For purposes of the statement of cash flows, the County considers cash and cash equivalents to be cash on hand, demand deposits, all highly liquid investments, including restricted cash and cash equivalents, with original maturities at the time of purchase of three months or less and equity in the County's cash management pool.

**3. Property Taxes.** Property taxes were levied on December 20, 2016, based on the assessed value of property as certified by the County Assessor by the previous December 15, and attach as an enforceable lien on January 1 of the following year. 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, 2017 for January 1, 2015 through June 30, 2016 as specified by State law.

The taxes levied on December 20, 2016 reflect 2016 property taxes that will be collected in 2017. The County collects its own property taxes and the property taxes for other taxing entities within the County. The collection and remittance of taxes for other taxing entities are accounted for in an agency fund. Property taxes receivable is reduced by an allowance for uncollectible taxes. Property taxes are due and considered earned on January 2 following the year levied and may be paid in two installments (February 28 and June 15) or they may be paid in full on or before 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.

**4. Interfund Receivables/Payables.** During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. In the fund financial statements, these receivables and payables are classified as due from other funds or due to other funds. Lending or

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**NOTE E - ASSETS, LIABILITIES, AND NET POSITION/EQUITY, Continued**

borrowing arrangements outstanding at the end of the fiscal year are reflected as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans).

**5. Inventories and Prepaid Items.** Inventories in all funds are recorded at the lower of cost (first-in, first-out basis) or market and consist of expendable supplies and commodities. The reported inventory value of commodities is recognized as both revenue and an expenditure when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Pueblo County uses the purchases method when recording prepaid items, in that the entire cost is expensed initially and then the prepaid balance is adjusted to actual at year end.

**6. Restricted assets.** Restricted assets include cash and cash equivalents of \$11,385,446 in the road and bridge fund that represent funds received from Colorado Springs Utilities that shall only be used for roads and bridges in connection with specific land use projects, \$590,896 in the capital projects fund and \$29,753 in the capital expenditures fund that represent unspent bond and capital lease proceeds. Cash and cash equivalents of \$618,748 in the proprietary fund are also legally restricted as to their use based upon the respective bond indenture.

**7. Capital Assets.** Capital assets, which include land, construction in progress, buildings and improvements, machinery and equipment, intangibles, and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of \$5,000 (\$50,000 for buildings and infrastructure) and a useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquired value at the date of donation. The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend asset lives is 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. No interest was capitalized during the year ended December 31, 2016.

Depreciation of all exhaustible capital assets is charged as an expense against their operations or functions. Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives.

|                            | Governmental<br>Activities | Business-Type<br>Activities |
|----------------------------|----------------------------|-----------------------------|
| <u>Assets</u>              | <u>Estimated Lives</u>     | <u>Estimated Lives</u>      |
| Buildings and Improvements | 5-165 years                | 10-30 years                 |

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**NOTE E - ASSETS, LIABILITIES, AND NET POSITION/EQUITY, Continued**

| <u>Assets</u>                             | <u>Governmental<br/>Activities<br/>Estimated Lives</u> | <u>Business-Type<br/>Activities<br/>Estimated Lives</u> |
|-------------------------------------------|--------------------------------------------------------|---------------------------------------------------------|
| Machinery and Equipment                   | 5-10 years                                             | 3-10 years                                              |
| Improvements Other Than Buildings         | N/A                                                    | 5-20 years                                              |
| Infrastructure - Bridges                  | 50 years                                               | N/A                                                     |
| Infrastructure - Roads                    | 20-40 years                                            | N/A                                                     |
| Infrastructure - Drainage<br>Improvements | 30 years                                               | N/A                                                     |
| Intangibles - Software Development        | 5 years                                                | N/A                                                     |

**8. Compensated Absences.** It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees are allowed to accumulate vacation benefits up to predetermined maximums and are compensated for these accumulated vacation benefits either through paid time off, at termination, or retirement. Employees are also allowed to accumulate sick pay benefits up to predetermined maximums; however, payment of these sick pay benefits is limited to lesser maximums depending on the length of service and the date the employee was hired. Vacation benefits and related payroll costs are measured based on established County policy and generally accepted accounting principles.

The entire compensated absence liability is reported in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only if they have matured due to employee retirements or resignations.

**9. Accrued Liabilities and Long-Term Obligations.** In the government-wide financial statements and the fund financial statements for the proprietary fund, all 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 obligations using the interest method.

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance and insurance costs during the current period. The face amount of the debt issue, along with the related premium, if any, is reported as other financing resources, while discounts, if any, are reported as other financing uses. Debt issue costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

**10. Fund Equity.** Governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for the County's governmental funds are classified and displayed in the following five categories:

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**NOTE E - ASSETS, LIABILITIES, AND NET POSITION/EQUITY, Continued**

- 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 and long-term notes receivable and fund advances.
- 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 County Commissioners. Commitments may be modified or changed only by the Board of County Commissioners approving a new resolution.
- Assigned – includes amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Intent is expressed by the Director of Budget and Finance or his/her designee to which the assigned amounts are to be used for specific purposes. Assigned amounts include appropriations of existing fund balance to eliminate a projected budgetary deficit in the subsequent year’s budget and limitations of existing fund balance resulting from intended use.
- Unassigned – includes amounts that do not meet any of the above criteria. The County reports positive unassigned fund balances only in the General Fund and negative unassigned fund balances, if any, 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 do not meet the definition of “restricted” or “net investment in capital assets”.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**NOTE E - ASSETS, LIABILITIES, AND NET POSITION/EQUITY, Continued**

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

**11. Contraband Forfeitures.** In accordance with the Colorado Contraband Forfeiture Act, forfeitures from the seizure of contraband are used for the specific purpose of law enforcement activities. These funds are included in the County's General Fund.

**12. Interfund Transactions.** Interfund transactions are accounted for as revenues, expenditures or expense. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditure/expenses in the reimbursing fund and as reduction of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as interfund transfers.

**13. 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.

**NOTE F - RETIREMENT PLANS**

**1. Pueblo County Retirement Plan.** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Pueblo County Officers and Employees Pension Plan (the Plan) have been determined on the same basis as they are reported by the 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.

**2. Public Employees' Retirement Association of Colorado ("PERA").** Pueblo County participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis as they are reported by PERA. 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.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**II - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**NOTE A - BUDGETS AND BUDGETARY ACCOUNTING**

The County adheres to the following procedures in establishing the budgetary data reflected in the required supplementary information and supplemental information. These procedures are in compliance with Colorado Revised Statutes.

Budgets are required by law for all funds. Prior to October 15, the budget director submits to the Commissioners 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 County Commissioners to obtain taxpayer comments. Prior to December 15, the expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution.

**NOTE B - LEGAL COMPLIANCE - BUDGETS**

1. Expenditures may not legally exceed appropriations at the fund level. Management may at any time transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same fund or agency. The Board of County Commissioners may, by resolution and public notice, transfer any unencumbered appropriation balance or portion thereof from one fund or agency to another fund or agency. The Commissioners 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 and agencies. These amendments were made in accordance with state statutes.
2. All budgets adopted by the Commissioners, including the proprietary fund type, use the current financial resources measurement basis and modified accrual basis of accounting.
3. Budgeted amounts reported in the required supplementary information are as originally adopted and as amended by the Board of County Commissioners. All appropriations lapse at year end.

For each adopted annual operating budget, the legal level of 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. Management cannot amend the adopted budget but must request that the Board of County Commissioners transfer amounts between funds or adopt supplemental appropriations when the need arises.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS**

**NOTE A - CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**1. Cash and Cash Equivalents and Investments are summarized as follows:**

**Cash and Cash Equivalents**

**Held by County Treasurer**

|                                   |                   |
|-----------------------------------|-------------------|
| Cash and Cash Equivalents On Hand | \$ 20,682         |
| Demand Deposits                   | 2,544,151         |
| Investment Pools                  | 7,056,347         |
| <b>Restricted Assets -</b>        |                   |
| Investment Pools                  | 11,385,446        |
| Demand Deposits                   | 83,777            |
|                                   | <u>21,090,403</u> |

**Not Held by County Treasurer**

|                                                 |                      |
|-------------------------------------------------|----------------------|
| Cash and Cash Equivalents On Hand               | 18,500               |
| Demand Deposits - Various Other Departments     | 436,337              |
| Runyon Sports Complex Commission, Inc.          |                      |
| Certificates of Deposit                         | 57,090               |
| Demand Deposits                                 | 183,990              |
| Investment Pools - Restricted                   | 648,501              |
| Investment Pools with Fiscal Agent - Restricted | 507,119              |
|                                                 | <u>1,851,537</u>     |
|                                                 | <u>\$ 22,941,940</u> |

**Investments**

**Held by County Treasurer**

|                                    |                   |
|------------------------------------|-------------------|
| U.S. Agency Securities             | \$ 25,666,170     |
| Certificates of Deposit            | 301,660           |
| Negotiable Certificates of Deposit | 2,478,629         |
|                                    | <u>28,446,459</u> |

**Not Held by County Treasurer**

|                                                                  |                      |
|------------------------------------------------------------------|----------------------|
| Runyon Sports Complex Commission, Inc. - Certificates of Deposit | 66,348               |
|                                                                  | <u>\$ 28,512,807</u> |

|                                          | <u>Cash and Cash<br/>Equivalents</u> | <u>Investments</u>   |
|------------------------------------------|--------------------------------------|----------------------|
| <b>Statement of Net Position</b>         |                                      |                      |
| Primary Government                       | \$ 4,996,702                         | \$ 28,446,459        |
| Primary Government - Restricted          | 12,624,843                           | -                    |
| Component units                          | 414,676                              | 66,348               |
| <b>Statement of Fiduciary Net Assets</b> |                                      |                      |
| Agency Funds                             | 4,905,719                            | -                    |
|                                          | <u>\$ 22,941,940</u>                 | <u>\$ 28,512,807</u> |

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE A - CASH AND CASH EQUIVALENTS AND INVESTMENTS, Continued**

Due to the nature of the County's cash management pool, it is not possible to segregate deposits and investments between the primary government and the Pueblo County Emergency Telephone Service Authority. The same is true for FDIC insurance coverage. Accordingly, only reporting entity totals are shown for the deposits and investments, as well as the FDIC coverage as follows:

|                  | <u>Total</u>         |
|------------------|----------------------|
| Deposits         | \$ 2,627,928         |
| Investment Pools | 18,441,793           |
| Cash on Hand     | <u>20,682</u>        |
|                  | <u>\$ 21,090,403</u> |

Deposits for the Runyon Sports Complex Commission, Inc. are reported as deposits of component units not held by the County Treasurer.

**2. Deposits.** At December 31, 2016 the carrying amount of the County's deposits, including certificates of deposit, was \$3,365,925 and the bank balance was \$6,893,661. Of the bank balance, \$822,040 was covered by federal depository insurance and \$6,071,621 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 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 fair value of the collateral that each institution pledges as security must equal 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 County's deposits may not be returned to it. The County does not have a policy for custodial credit risk. As of December 31, 2016, deposits with a bank balance of \$6,071,621 are uninsured but are not exposed to custodial credit risk because they are collateralized with securities held by the pledging financial institutions's agent in the County's name.

**Deposits of Component Units Not Held by County Treasurer**

*Runyon Sports Complex Commission, Inc.* - At December 31, 2016 the carrying amount of the Commission's deposits was \$307,428 and the bank balance was \$309,353 and \$250,000 was covered by Federal National Credit Union Administration Insurance.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE A - CASH AND CASH EQUIVALENTS AND INVESTMENTS, Continued**

**3. Investments.** The County is subject to the provisions of Colorado Revised Statutes 24-75-601 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, negotiable certificates of deposits fully covered by FDIC Insurance and guaranteed insurance contracts. 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 following investments and maturities were included in the County’s cash management pool:

| <u>Investment Type</u>                              | <u>Fair Value</u>    | <u>Investment Maturities</u> |                      |
|-----------------------------------------------------|----------------------|------------------------------|----------------------|
|                                                     |                      | <u>In Years</u>              |                      |
|                                                     |                      | <u>Less Than 1</u>           | <u>1-5</u>           |
| <b><u>Reported as Cash and Cash Equivalents</u></b> |                      |                              |                      |
| Colo Trust                                          | \$ 14,829,101        | \$ 14,829,101                | \$ -                 |
| CSAFE                                               | 3,573,956            | 3,573,956                    | -                    |
| Money Market Funds                                  | 1,194,372            | 1,194,372                    | -                    |
|                                                     | <u>\$ 19,597,429</u> | <u>\$ 19,597,429</u>         | <u>\$ -</u>          |
| <b><u>Reported as Investments</u></b>               |                      |                              |                      |
| U.S. Agency Securities                              | 25,666,170           | 7,991,639                    | 17,674,532           |
| Negotiable Certificates of Deposit                  | 2,478,629            | 248,489                      | 2,230,140            |
|                                                     | <u>\$ 28,144,799</u> | <u>\$ 8,240,128</u>          | <u>\$ 19,904,671</u> |

The County categorizes 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 County has the following recurring fair value measurements as of December 31, 2016:

US Agency Securities of \$25,666,170  
which are original issue securities and are valued using quoted market prices (Level 1 inputs).

Brokered CDs of \$2,478,629 are valued using a matrix pricing model (Level 2 inputs).

The County’s investments in C-Safe and Colorado Statewide Investment Program (CSIP) are reported at amortized cost. The County’s Colorado Trust accounts are reported at fair value. However, these investments are not subject to the fair value hierarchy.

*Custodial Credit Risk* – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy does not limit the holding

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE A - CASH AND CASH EQUIVALENTS AND INVESTMENTS, Continued**

of securities by counterparties.

*Interest Rate Risk* – The County’s policy of limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates parallels Colorado statutes. Specifically, all securities are limited to a maximum maturity of five years from date of purchase unless the governing body authorizes a longer period.

*Credit Risk* – The County does not have an investment policy that would further limit its investment choices beyond the requirements of Colorado statutes. As of December 31, 2016, the County’s investments in Colo Trust, C-Safe and CSIP are rated AAAm by Standard and Poor’s.

At December 31, 2016, the County’s investment in U.S obligations was rated as follows:

| <u>U.S. Obligation</u> | <u>Credit Rating</u> |                            |
|------------------------|----------------------|----------------------------|
|                        | <u>Moody's</u>       | <u>Standard and Poor's</u> |
| U.S. Agency Securities | Aaa                  | AA+                        |

**NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS - FIDUCIARY FUNDS - PENSION TRUST FUND**

The Pueblo County Officers and Employees Pension Plan (the Plan) was established in 1967 under the provisions of Title 24, Article 54 of the Colorado Revised Statutes (C.R.S.). Responsibility for the organization and administration of the Plan as well as the investment of the Plan’s funds is placed with the Board of Trustees of the Plan.

At December 31, 2016, cash and cash equivalents and investments of the Plan are reported as follows:

**Financial Statement Presentation**

| Statement of Fiduciary Funds - Pension Trust Fund | <u>Cash and<br/>Cash<br/>Equivalents</u> | <u>Investments</u>    |
|---------------------------------------------------|------------------------------------------|-----------------------|
|                                                   | <u>\$ 1,343,205</u>                      | <u>\$ 127,207,432</u> |

**1. Pension Trust Fund - Cash and cash equivalents are summarized as follows:**

|                               |                     |
|-------------------------------|---------------------|
| Demand Deposits               | \$ 79,098           |
| Money Market Accounts Held at |                     |
| Brokerages                    | 1,264,106           |
|                               | <u>\$ 1,343,204</u> |

**2. Deposits.** At December 31, 2016, the carrying amount of the Plan’s deposits was \$79,098 and the bank balance was \$79,098. Of the bank balance, \$79,098 was covered by federal depository insurance.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS - FIDUCIARY FUNDS - PENSION TRUST FUND, Continued**

**3. Investments.** As of December 31, 2016, the Plan had the following investments and maturities.

|                                                                 | Fair<br>Value        | Investment<br>Maturities<br>Less<br>Than 1 year |
|-----------------------------------------------------------------|----------------------|-------------------------------------------------|
| <b><u>Investment Type</u></b>                                   |                      |                                                 |
| Investment Contract with Principal Life Insurance Company       | \$ 16,739,996        | \$ 16,739,996                                   |
| Limited Partnership Interest - Grosvenor Institutional Partners | 12,891,160           | 12,891,160                                      |
| Harbert US Real Estate Fund V                                   | 7,751,511            | 7,751,511                                       |
| Weathergage Venture Capital IV                                  | 46,885               | 46,885                                          |
| Principal Real Estate Debt Fund                                 | 4,678,945            | 4,678,945                                       |
| <b>Registered Investment Companies -</b>                        |                      |                                                 |
| Vanguard Institutional Index Fund #94                           | 12,293,801           | 12,293,801                                      |
| Aberdeen Emerging Market Funds                                  | 5,958,983            | 5,958,983                                       |
| Western Asset Core Plus Bond Fund                               | 7,245,018            | 7,245,018                                       |
| American Euro Pacific Growth Fund                               | 7,207,434            | 7,207,434                                       |
| <b>Fixed Income Commingled Funds</b>                            |                      |                                                 |
| JP Morgan Core Bond Fund #3900                                  | 7,183,742            | 7,183,742                                       |
| Babson Capital Floating Rate Income Fund, L.P.                  | 5,847,881            | 5,847,881                                       |
| Domestic Equity Securities                                      | 27,249,648           | 27,249,648                                      |
| Domestic Preferred Stock                                        | 156,507              | 156,507                                         |
| International Equity Securities                                 | 2,567,459            | 2,567,459                                       |
| International Equity Commingled Funds                           | 9,388,462            | 9,388,462                                       |
|                                                                 | <u>\$127,207,432</u> | <u>\$127,207,432</u>                            |

*Interest Rate Risk* – The Plan 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* – The Plan’s investment policy does not allow transactions in any of the following. 1) short sales; 2) leverage or margin transactions; 3) investments in private companies; and 4) investments that would generate unrelated business taxable income. The Plan’s investments in equity mutual funds and debt securities mutual funds are not rated.

*Foreign Currency Risk* – The Plan’s exposure to foreign currency risk results from its position in foreign currency-denominated investments in various foreign equity mutual funds. The Plan’s investment policy permits it to invest up to 20% of total investments in foreign currency-denominated investments.

*Investment Policies* – Funds of the Plan are managed in accordance with Colorado statutes and any other applicable law, and in compliance with the prudent investor rule. The investment of the Plan’s assets shall be for the exclusive purpose of providing benefits for the participants and their beneficiaries, and paying the Plan’s administrative expenses. The investments shall be prudently selected and properly

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS - FIDUCIARY FUNDS - PENSION TRUST FUND, Continued**

diversified to fulfill fiduciary responsibilities.

The Plan policy in regard to the allocation of invested assets is established and may be amended by the Board. The following is the Plan's asset allocation targets as of December 31, 2016:

| Asset Class    | Target | Allowable<br>Range |
|----------------|--------|--------------------|
| US Equity      | 30%    | 25-40%             |
| Non-US Equity  | 20%    | 15-25%             |
| Fixed Income   | 15%    | 10-20%             |
| Real Estate    | 20%    | 15-25%             |
| Hedge Funds    | 10%    | 5-15%              |
| Private Equity | 5%     | 0-5%               |
| Cash           | 0%     | 0-5%               |

The following presents investments that represent five percent or more of the Plan's net position as of December 31, 2016:

|                                                                 |                      |
|-----------------------------------------------------------------|----------------------|
| Investment contract with Principal Life Insurance Company       | \$ 16,739,996        |
| Limited Partnership Interest - Grosvenor Institutional Partners | 12,891,160           |
| Registered Investment Companies -                               |                      |
| Vanguard Institutional Index Fund #94                           | 12,293,801           |
| Western Asset Core Plus Bond Fund                               | 7,245,018            |
| American Euro Pacific Growth Fund                               | 7,207,434            |
| International Equity Commingled Funds -                         |                      |
| Mondrian All Cntr Wrld Xus Equity                               | 9,388,462            |
| Fixed Income Commingled Funds -                                 |                      |
| JP Morgan Core Bond Fund #3900                                  | 7,183,742            |
| Total cash and investments                                      | <u>\$ 72,949,613</u> |

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE C - RECEIVABLES**

Receivables as of December 31, 2016 consist of the following:

**Primary Government**

|                                               | Governmental Activities     |                            |                            |                              |                             |
|-----------------------------------------------|-----------------------------|----------------------------|----------------------------|------------------------------|-----------------------------|
|                                               | General Fund                | Social Services            | Road and Bridge Fund       | Non-Major Governmental Funds | Governmental Activities     |
| <b>Receivables:</b>                           |                             |                            |                            |                              |                             |
| Taxes:                                        |                             |                            |                            |                              |                             |
| Property Taxes                                | \$ 39,410,687               | \$ 4,887,650               | \$ 1,544,498               | \$ 4,524,308                 | \$ 50,367,143               |
| Sales and Use Taxes                           | 2,208,461                   | -                          | 777,627                    | 124,420                      | 3,110,508                   |
| Highway Users Tax                             | -                           | -                          | 380,409                    | -                            | 380,409                     |
| Grants                                        | 3,761,092                   | -                          | 338,993                    | 604,731                      | 4,704,816                   |
| Notes                                         | 1,423,078                   | -                          | -                          | 388,724                      | 1,811,802                   |
| Interest                                      | 84,242                      | -                          | -                          | -                            | 84,242                      |
| Other Governments                             | 48,115                      | 2,651,763                  | 568                        | 1,072                        | 2,701,518                   |
| Other Agencies                                | 14,822                      | -                          | -                          | 1,400,000                    | 1,414,822                   |
| Other                                         | 1,271,518                   | 932                        | -                          | 34,910                       | 1,307,360                   |
|                                               | <u>48,222,015</u>           | <u>7,540,345</u>           | <u>3,042,095</u>           | <u>7,078,165</u>             | <u>65,882,620</u>           |
| Less: Allowance for<br>Uncollectible Accounts | <u>197,055</u>              | <u>24,438</u>              | <u>7,722</u>               | <u>22,622</u>                | <u>251,837</u>              |
| <b>Net Receivables</b>                        | <u><u>\$ 48,024,960</u></u> | <u><u>\$ 7,515,907</u></u> | <u><u>\$ 3,034,373</u></u> | <u><u>\$ 7,055,543</u></u>   | <u><u>\$ 65,630,783</u></u> |

|                 |                                    |
|-----------------|------------------------------------|
|                 | Business-Type<br><u>Activities</u> |
|                 | Desert Hawk Golf<br>Course         |
| Other           | <u>\$ 9,069</u>                    |
| Net Receivables | <u><u>\$ 9,069</u></u>             |

**Other Agencies.** The County entered into an economic development cooperation agreement with Pueblo Development Foundation (PDF), a Colorado non-profit corporation. The agreement provides that PDF administer an economic development revolving loan program on behalf of the County. The amount due at December 31, 2016 of \$1,400,000 represents funds that have been advanced to PDF to be used in the operation of the loan program. Either party, upon one years' written notice, may terminate the agreement; however, management considers the possibility of termination to be remote. If the agreement is terminated, uncommitted loan funds and outstanding loans and leases funded under the agreement will be assigned to the County by PDF.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE C - RECEIVABLES, Continued**

**Component Units**

|                       | Emergency<br>Telephone<br>Service<br>Authority | Runyon Sports<br>Complex<br>Commission, Inc. | Total            |
|-----------------------|------------------------------------------------|----------------------------------------------|------------------|
| <b>Receivables:</b>   |                                                |                                              |                  |
| Other                 | \$ 69,199                                      | \$ -                                         | \$ 69,199        |
| Net Total Receivables | <u>\$ 69,199</u>                               | <u>\$ -</u>                                  | <u>\$ 69,199</u> |

**NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

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

|                                        | <u>Due From<br/>Other Funds</u> | <u>Due To Other<br/>Funds</u> |
|----------------------------------------|---------------------------------|-------------------------------|
| <b>Governmental Funds -</b>            |                                 |                               |
| General Fund                           | \$ 484,188                      | \$ 202,306                    |
| Social Services Fund                   | 2,112                           | 421,263                       |
| Road & Bridge Fund                     | 11,661                          | 88,170                        |
| Non-major Governmental Funds           | 585,424                         | 158,886                       |
| Total Governmental Funds               | \$ 1,083,385                    | \$ 870,625                    |
| <b>Enterprise Fund -</b>               |                                 |                               |
| Desert Hawk Golf Course at Pueblo West | -                               | 212,760                       |
|                                        | <u>\$ 1,083,385</u>             | <u>\$ 1,083,385</u>           |

The amounts reflected as due from other funds and due to other funds reflect the time lag between the dates 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 scheduled to be collected in the subsequent year.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS, Continued**

The following table summarizes advances to/from other funds at December 31, 2016:

|                                       | <u>Advances to<br/>Other Funds</u> | <u>Advances<br/>from<br/>Other Funds</u> |
|---------------------------------------|------------------------------------|------------------------------------------|
| <b>Major Governmental Funds -</b>     |                                    |                                          |
| Advance Due the General Fund from:    |                                    |                                          |
| Housing and Human Services Fund       | \$ 355,000                         | \$ -                                     |
| Department of Aging Services Fund     | 40,000                             | -                                        |
|                                       | <u>395,000</u>                     | <u>-</u>                                 |
| <b>Non-major Governmental Funds -</b> |                                    |                                          |
| Advance Due to General Fund from:     |                                    |                                          |
| Department of Aging Services Fund     | -                                  | 40,000                                   |
| Housing and Human Services Fund       | -                                  | 355,000                                  |
|                                       | <u>-</u>                           | <u>395,000</u>                           |
|                                       | <u>\$ 395,000</u>                  | <u>\$ 395,000</u>                        |

The balance of \$355,000 due the General Fund from the Housing and Human Services Fund was the result of advances made to establish working capital when the HHS fund was created. The balance of \$40,000 due the General Fund from the Department of Aging Services Fund was the result of an advance made to establish working capital. All amounts reflected as advances due from other funds are not scheduled to be collected in the subsequent year.

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

|                                        | <u>Transfers In</u> | <u>Transfers Out</u> |
|----------------------------------------|---------------------|----------------------|
| <b>Major Governmental Funds</b>        |                     |                      |
| General Fund                           | \$ 753,676          | \$ 3,841,326         |
| Social Services Fund                   | -                   | 268,761              |
| <b>Non-major Governmental Funds</b>    | 3,891,708           | 888,037              |
| <b>Major Enterprise Fund</b>           |                     |                      |
| Desert Hawk Golf Course at Pueblo West | 352,740             | -                    |
|                                        | <u>\$ 4,998,124</u> | <u>\$ 4,998,124</u>  |

Transfers among funds are provided for as part of the annual budget process. Transfers are used to move revenues from the fund required to collect the revenue to the fund required or authorized to expend them. Interfund transfers are eliminated in the government-wide financial statements except for transfers between governmental activities and business-type activities.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE E - CAPITAL ASSETS**

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

|                                                      | Balance<br>January 1,<br>2016 | Additions           | Deletions/<br>Inventory<br>Adjustments/<br>Transfers | Balance<br>December 31,<br>2016 |
|------------------------------------------------------|-------------------------------|---------------------|------------------------------------------------------|---------------------------------|
| <b><u>Governmental Activities:</u></b>               |                               |                     |                                                      |                                 |
| Nondepreciable Assets:                               |                               |                     |                                                      |                                 |
| Land                                                 | \$ 10,090,124                 | \$ -                | \$ -                                                 | \$ 10,090,124                   |
| Water Rights                                         | 91,600                        | -                   | -                                                    | 91,600                          |
| Land-Infrastructure                                  | 1,719,364                     | -                   | -                                                    | 1,719,364                       |
| Easements and Right-of-Ways                          | 236,810                       | -                   | -                                                    | 236,810                         |
| Construction in Progress                             | 9,599,150                     | 3,224,721           | (6,999,189)                                          | 5,824,682                       |
| Total Capital Assets not being Depreciated           | <u>21,737,048</u>             | <u>3,224,721</u>    | <u>(6,999,189)</u>                                   | <u>17,962,580</u>               |
| Depreciable Assets:                                  |                               |                     |                                                      |                                 |
| Buildings and Improvements                           | 147,630,131                   | 1,997,777           | (1,738,996)                                          | 147,888,912                     |
| Machinery and Equipment                              | 29,663,569                    | 9,318,852           | (602,802)                                            | 38,379,619                      |
| Software Development                                 | 8,065,622                     | 743,192             | -                                                    | 8,808,814                       |
| Infrastructure                                       | 166,607,412                   | 1,309,139           | (789,771)                                            | 167,126,780                     |
| Total Capital Assets being Depreciated               | <u>351,966,734</u>            | <u>13,368,960</u>   | <u>(3,131,569)</u>                                   | <u>362,204,125</u>              |
| Less Accumulated Depreciation for:                   |                               |                     |                                                      |                                 |
| Building and Improvements                            | (36,345,350)                  | (4,316,234)         | 985,005                                              | (39,676,579)                    |
| Machinery and Equipment                              | (20,614,267)                  | (2,185,936)         | 562,824                                              | (22,237,379)                    |
| Software Development                                 | (6,590,777)                   | (777,756)           | -                                                    | (7,368,533)                     |
| Infrastructure                                       | (83,692,540)                  | (5,312,806)         | 442,064                                              | (88,563,282)                    |
| Total Accumulated Depreciation                       | <u>(147,242,934)</u>          | <u>(12,592,732)</u> | <u>1,989,893</u>                                     | <u>(157,845,773)</u>            |
| Capital Assets being Depreciated, Net                | <u>204,723,800</u>            | <u>776,228</u>      | <u>(1,141,676)</u>                                   | <u>204,358,352</u>              |
| Total Governmental Activities<br>Capital Assets, Net | <u>\$ 226,460,848</u>         | <u>\$ 4,000,949</u> | <u>\$ (8,140,865)</u>                                | <u>\$ 222,320,932</u>           |

Construction in progress at December 31, 2016 consists of the following amounts:

|                                 |                     |
|---------------------------------|---------------------|
| Various Infrastructure Projects | \$ 5,629,051        |
| Various Building Improvements   | <u>195,631</u>      |
|                                 | <u>\$ 5,824,682</u> |

During the year ended December 31, 2016, the County recognized an impairment loss of \$753,991 relating to a County owned building that had been condemned. The original building cost along with improvements totaled \$1,738,996 less the associated accumulated depreciation of \$985,005 left a net book value of \$753,991. It was determined that the building and improvements had no remaining value.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE E - CAPITAL ASSETS, Continued**

|                                            | Balance<br>January 1,<br>2016 | Additions        | Deletions/<br>Inventory<br>Adjustments/<br>Transfers | Balance<br>December 31,<br>2016 |
|--------------------------------------------|-------------------------------|------------------|------------------------------------------------------|---------------------------------|
| <b><u>Business-Type Activities:</u></b>    |                               |                  |                                                      |                                 |
| Nondepreciable Assets:                     |                               |                  |                                                      |                                 |
| Land                                       | \$ 4,402,683                  | \$ -             | \$ -                                                 | \$ 4,402,683                    |
| Total Capital Assets not being Depreciated | <u>4,402,683</u>              | <u>-</u>         | <u>-</u>                                             | <u>4,402,683</u>                |
| Depreciable Assets:                        |                               |                  |                                                      |                                 |
| Buildings and Improvements                 | 362,041                       | -                | -                                                    | 362,041                         |
| Improvements other than Buildings          | 1,484,405                     | 2,214            | -                                                    | 1,486,619                       |
| Machinery and Equipment                    | 919,341                       | 216,744          | (142,824)                                            | 993,261                         |
| Total Capital Assets being Depreciated     | <u>2,765,787</u>              | <u>218,958</u>   | <u>(142,824)</u>                                     | <u>2,841,921</u>                |
| Less Accumulated Depreciation for:         |                               |                  |                                                      |                                 |
| Building and Improvements                  | (288,712)                     | (8,380)          | -                                                    | (297,092)                       |
| Improvements other than Buildings          | (1,049,071)                   | (71,543)         | -                                                    | (1,120,614)                     |
| Machinery and Equipment                    | (825,727)                     | (40,310)         | 142,824                                              | (723,213)                       |
| Total Accumulated Depreciation             | <u>(2,163,510)</u>            | <u>(120,233)</u> | <u>142,824</u>                                       | <u>(2,140,919)</u>              |
| Capital Assets being Depreciated, Net      | <u>602,277</u>                | <u>98,725</u>    | <u>-</u>                                             | <u>701,002</u>                  |
| Total Business-Type Activities             |                               |                  |                                                      |                                 |
| Capital Assets, Net                        | <u>\$ 5,004,960</u>           | <u>\$ 98,725</u> | <u>\$ -</u>                                          | <u>\$ 5,103,685</u>             |

Depreciation expense was charged to functions/programs as follows:

|                                                      |                      |
|------------------------------------------------------|----------------------|
| <b><u>Governmental Activities:</u></b>               |                      |
| General Government                                   | \$ 3,216,494         |
| Public Safety                                        | 2,506,899            |
| Road and Bridge                                      | 5,729,228            |
| Health and Welfare                                   | 812,556              |
| Culture and Recreation                               | 267,540              |
| Conservation                                         | 31,106               |
| Urban Redevelopment and Housing                      | 28,909               |
| Total Depreciation Expense - Governmental Activities | <u>\$ 12,592,732</u> |
| <b><u>Business-Type Activities:</u></b>              |                      |
| Desert Hawk Golf Course at Pueblo West               | \$ 120,233           |
| Total Depreciation Expense, Business-Type Activities | <u>\$ 120,233</u>    |

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE E - CAPITAL ASSETS, Continued**

**Construction Commitments**

At December 31, 2016, the County had various incomplete machinery and equipment projects and infrastructure and building improvement projects with remaining estimated costs of \$21,252,673. Funding for these projects is to be provided by the proceeds of related grants, future taxes and prior issuance of certificates of participation.

**Discretely Presented Component Unit – Emergency Telephone Service Authority**

A summary of changes in capital assets, net of accumulated depreciation, for the year ended December 31, 2016 follows:

|                                    | Balance January<br>1, 2016 | Additions          | Deletions/<br>Inventory<br>Adjustments/<br>Transfers | Balance<br>December 31,<br>2016 |
|------------------------------------|----------------------------|--------------------|------------------------------------------------------|---------------------------------|
| <b>Depreciable Assets:</b>         |                            |                    |                                                      |                                 |
| Machinery and Equipment            | \$ 292,571                 | \$ 17,984          | \$ (4,885)                                           | \$ 305,670                      |
| Less Accumulated Depreciation      | (170,509)                  | (40,917)           | 4,885                                                | (206,541)                       |
| <b>Emergency Telephone Service</b> |                            |                    |                                                      |                                 |
| Authority Capital Assets, Net      | <u>\$ 122,062</u>          | <u>\$ (22,933)</u> | <u>\$ -</u>                                          | <u>\$ 99,129</u>                |

December 31, 2016

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE F - DEFERRED OUTFLOWS OF RESOURCES/DEFERRED INFLOWS OF RESOURCES**

Deferred outflows of resources at December 31, 2016 are summarized as follows:

|                               | Governmental<br>Activities | Business-Type<br>Activities |
|-------------------------------|----------------------------|-----------------------------|
| Deferred Amounts on Refunding | \$ 185,951                 | \$ 244,331                  |
| Pension Related               | 9,362,065                  | -                           |
| Total Deferred Outflows       | <u>\$ 9,548,016</u>        | <u>\$ 244,331</u>           |

Deferred inflows of resources at December 31, 2016 are summarized as follows:

|                                                                              | General Fund         | Social<br>Services   | Road &<br>Bridge    | Non-Major<br>Governmental<br>Funds | Total                |
|------------------------------------------------------------------------------|----------------------|----------------------|---------------------|------------------------------------|----------------------|
| Property Taxes                                                               | \$ 39,607,742        | \$ 4,863,212         | \$ 1,536,776        | \$ 4,501,686                       | \$ 50,509,416        |
| Unavailable Grant Revenue                                                    | <u>553,454</u>       | <u>5,442,115</u>     | <u>108,190</u>      | <u>133,222</u>                     | <u>6,236,981</u>     |
| Total Governmental<br>Funds                                                  | <u>40,161,196</u>    | <u>10,305,327</u>    | <u>1,644,966</u>    | <u>4,634,908</u>                   | <u>56,746,397</u>    |
| Less: Amounts Recognized as<br>Revenue in the Government-<br>Wide Statements | (245,460)            | -                    | (108,191)           | -                                  | (353,651)            |
| Pension Related                                                              | <u>1,746,418</u>     | <u>-</u>             | <u>-</u>            | <u>-</u>                           | <u>1,746,418</u>     |
| Total Governmental<br>Activities                                             | <u>\$ 41,662,154</u> | <u>\$ 10,305,327</u> | <u>\$ 1,536,775</u> | <u>\$ 4,634,908</u>                | <u>\$ 58,139,164</u> |

For the most part, unavailable grant revenue represents grant funds received in advance.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE G - LONG-TERM LIABILITIES**

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

|                                                        | Balance<br>January 1,<br>2016 | Increases         | Decreases           | Balance<br>December 31,<br>2016 | Due<br>Within<br>One Year |
|--------------------------------------------------------|-------------------------------|-------------------|---------------------|---------------------------------|---------------------------|
| <b><u>Governmental Activities</u></b>                  |                               |                   |                     |                                 |                           |
| General Obligation                                     |                               |                   |                     |                                 |                           |
| Refunding, Series 2005                                 | \$ 4,115,000                  | \$ -              | \$ (970,000)        | \$ 3,145,000                    | \$ 1,010,000              |
| Unamortized Premium                                    | 60,783                        | -                 | (15,852)            | 44,931                          | -                         |
| Total General Obligation                               | <u>4,175,783</u>              | <u>-</u>          | <u>(985,852)</u>    | <u>3,189,931</u>                | <u>1,010,000</u>          |
| Bonds Payable                                          |                               |                   |                     |                                 |                           |
| Certificates of Participation,<br>Series 2008          | 4,300,000                     | -                 | (1,370,000)         | 2,930,000                       | 1,430,000                 |
| Unamortized Discount                                   | (22,785)                      | -                 | 7,812               | (14,973)                        | -                         |
| Certificates of Participation,<br>Series 2009A         | 23,600,000                    | -                 | -                   | 23,600,000                      | -                         |
| Unamortized Discount                                   | (309,286)                     | -                 | 13,020              | (296,266)                       | -                         |
| Certificates of Participation,<br>Series 2009B         | 3,000,000                     | -                 | -                   | 3,000,000                       | -                         |
| Unamortized Discount                                   | (6,510)                       | -                 | 1,140               | (5,370)                         | -                         |
| Certificates of Participation,<br>Series 2012          | 54,195,000                    | -                 | (280,000)           | 53,915,000                      | 295,000                   |
| Unamortized Premium                                    | 3,859,073                     | -                 | (144,300)           | 3,714,773                       | -                         |
| Total Certificates<br>of Participation                 | <u>88,615,492</u>             | <u>-</u>          | <u>(1,772,328)</u>  | <u>86,843,164</u>               | <u>1,725,000</u>          |
| Obligation under Capital Leases                        | <u>796,548</u>                | <u>623,814</u>    | <u>(444,017)</u>    | <u>976,345</u>                  | <u>523,440</u>            |
| Compensated Absences                                   | <u>7,883,885</u>              | <u>862,137</u>    | <u>(650,787)</u>    | <u>8,095,235</u>                | <u>650,000</u>            |
| Estimated Claims and Judgments                         |                               |                   |                     |                                 |                           |
| Self-Insured Claims                                    | 1,195,874                     | 917,178           | (1,233,503)         | 879,549                         | 584,700                   |
| Health Insurance Claims*                               | (803,422)                     | 9,366,362         | (9,228,899)         | (665,959)                       | -                         |
| Estimated Claims & Judgments Total                     | <u>392,452</u>                | <u>10,283,540</u> | <u>(9,228,879)</u>  | <u>213,590</u>                  | <u>584,700</u>            |
| Net OPEB Obligation                                    | 3,422,686                     | 912,406           | (257,520)           | 4,077,572                       | -                         |
| Net Pension Liability                                  | <u>81,817,590</u>             | <u>8,767,776</u>  | <u>(6,162,219)</u>  | <u>84,423,147</u>               | <u>-</u>                  |
| Total Governmental Activities Long-Term<br>Liabilities | <u>174,391,517</u>            | <u>12,083,311</u> | <u>(11,506,226)</u> | <u>188,484,943</u>              | <u>5,077,840</u>          |

\*Health Insurance Claims resulted in a credit balance beginning in 2014 and continuing through December 31, 2016. This amount is reported on the Statement of Net Position as prepaid expenses.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE G - LONG-TERM LIABILITIES, Continued**

|                                                      | Balance<br>January 1,<br>2016 | Increases  | Decreases    | Balance<br>December 31,<br>2016 | Due<br>Within<br>One Year |
|------------------------------------------------------|-------------------------------|------------|--------------|---------------------------------|---------------------------|
| <b><u>Business-Type Activities</u></b>               |                               |            |              |                                 |                           |
| Refunding Certificates of Participation, Series 2005 | \$ 4,395,000                  | \$ -       | \$ (410,000) | \$ 3,985,000                    | \$ 425,000                |
| Unamortized Discount                                 | (31,368)                      | -          | 5,834        | (25,534)                        | -                         |
| Total Certificates of Participation                  | 4,363,632                     | -          | (404,166)    | 3,959,466                       | 425,000                   |
| Obligations under Capital Leases                     | -                             | 215,790    | (41,918)     | 173,872                         | 41,534                    |
| Advances from Other Governments:                     |                               |            |              |                                 |                           |
| Purchase Option                                      | 457,000                       | -          | -            | 457,000                         | -                         |
| Water Purchase                                       | 1,279,813                     | -          | -            | 1,279,813                       | -                         |
| Non-Interest Bearing Loan                            | 3,886,158                     | 306,729    | -            | 4,192,887                       | -                         |
| Total Advances from Other Governments                | 5,622,971                     | 306,729    | -            | 5,929,700                       | -                         |
| Total Business-Type Activities                       |                               |            |              |                                 |                           |
| Long-Term Liabilities                                | \$ 9,986,603                  | \$ 522,519 | \$ (446,084) | \$ 10,063,038                   | \$ 466,534                |

Payments on the general obligation bonds are made by the library debt service fund. Payments on the obligations under capital leases reported in the governmental activities are serviced by the General Fund. The certificates of participation, obligations under capital leases and advances from other government in the business-type activity are serviced by the Desert Hawk Golf Course proprietary fund. The compensated absence liabilities are paid by the fund for which the employee worked while claims and judgments are generally liquidated by the General Fund. Payments on the net pension liability and the net post-employment benefit obligation are recorded in the applicable governmental funds.

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

**General Obligation**

\$9,645,000 2005 series general obligation library refunding bonds (Pueblo library district); interest rate ranges from 3.5% to 5.0%; due in annual installments ranging from \$449,163 to \$1,139,088 including interest through November 1, 2019; debt is serviced by the library debt service fund

\$ 3,145,000  
3,145,000

**Certificates of Participation**

\$11,415,000, series 2008 certificates of participation; interest rate ranges from 3.2% to 5.0%; due in annual installments including interest ranging from \$409,258 to \$1,579,170 through September 2018; debt is serviced by the general fund

2,930,000

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE G - LONG-TERM LIABILITIES, Continued**

|                                                                                                                                                                                                                                                       |                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| \$23,600,000, series 2009A certificates of participation; interest rate ranges from 6.5% to 6.85%; due in annual installments including interest ranging from \$1,133,913 to \$2,529,415 through September 2039; debt is serviced by the general fund | 23,600,000            |
| \$3,000,000, series 2009B certificates of participation; interest rate is 6.25%; due in annual installments including interest ranging from \$133,333 to \$942,500 through September 2022; debt is serviced by the general fund                       | 3,000,000             |
| \$55,000,000, series 2012 certificates of participation; interest rate ranges from 2% to 5%; due in annual installments including interest ranging from \$1,276,412 to \$5,617,500 through September 2042; debt is serviced by the general fund       | 53,915,000            |
|                                                                                                                                                                                                                                                       | <u>83,445,000</u>     |
| Obligations under Capital Leases                                                                                                                                                                                                                      |                       |
| \$990,944 of obligation under capital lease; interest rate of 4.26%; payable in semi-annual installments of \$111,184 including interest through July 2017; lease payments began January, 2013; debt is serviced by the general fund                  | 215,398               |
| \$880,761 of obligation under capital lease; interest rate of 4.22%; payable in semi-annual installments of \$98,723 including interest through November 2017; lease payments began June 2013; debt is serviced by the general fund                   | 191,310               |
| \$623,814 of obligation under capital lease; interest rate of 4.0%; payable in semi-annual installments of \$139,231 including interest through June 2021; lease payments began September 2016; debt is serviced by the general fund                  | 569,637               |
|                                                                                                                                                                                                                                                       | <u>976,345</u>        |
| Other Obligations                                                                                                                                                                                                                                     |                       |
| Compensated Absences                                                                                                                                                                                                                                  | 8,095,235             |
| Estimated Claims and Judgments                                                                                                                                                                                                                        | 879,549               |
| Net OPEB Obligation                                                                                                                                                                                                                                   | 4,077,572             |
| Net Pension Liability                                                                                                                                                                                                                                 | 84,423,147            |
|                                                                                                                                                                                                                                                       | <u>97,475,503</u>     |
| Total Governmental Activities                                                                                                                                                                                                                         | <u>\$ 185,041,848</u> |

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE G - LONG-TERM LIABILITIES, Continued**

The debt service requirements for the governmental activities general obligation bonds, certificates of participation, and capital leases as of December 31, 2016 are as follows:

| Year Ending<br>December 31, | Governmental Activities                |                   |                     |                               |                      |                       |
|-----------------------------|----------------------------------------|-------------------|---------------------|-------------------------------|----------------------|-----------------------|
|                             | General & Limited Tax Obligation Bonds |                   |                     | Certificates of Participation |                      |                       |
|                             | Principal                              | Interest          | Total               | Principal                     | Interest             | Total                 |
| 2017                        | \$ 1,010,000                           | \$ 128,613        | \$ 1,138,613        | \$ 1,725,000                  | \$ 4,451,995         | \$ 6,176,995          |
| 2018                        | 1,045,000                              | 90,738            | 1,135,738           | 1,800,000                     | 4,373,790            | 6,173,790             |
| 2019                        | 1,090,000                              | 46,320            | 1,136,320           | 1,890,000                     | 4,286,790            | 6,176,790             |
| 2020                        | -                                      | -                 | -                   | 1,990,000                     | 4,182,853            | 6,172,853             |
| 2021                        | -                                      | -                 | -                   | 2,100,000                     | 4,292,707            | 6,392,707             |
| 2022-2026                   | -                                      | -                 | -                   | 12,055,000                    | 18,658,048           | 30,713,048            |
| 2027-2031                   | -                                      | -                 | -                   | 14,885,000                    | 15,220,975           | 30,105,975            |
| 2032-2036                   | -                                      | -                 | -                   | 18,435,000                    | 10,865,288           | 29,300,288            |
| 2037-2041                   | -                                      | -                 | -                   | 23,215,000                    | 5,133,175            | 28,348,175            |
| 2042                        | -                                      | -                 | -                   | 5,350,000                     | 267,500              | 5,617,500             |
| Total                       | <u>\$ 3,145,000</u>                    | <u>\$ 265,671</u> | <u>\$ 3,410,671</u> | <u>\$ 83,445,000</u>          | <u>\$ 71,733,121</u> | <u>\$ 155,178,121</u> |

| Year Ending,<br><u>December 31,</u> | Governmental Activities |                  |                     |
|-------------------------------------|-------------------------|------------------|---------------------|
|                                     | Capital Leases          |                  |                     |
|                                     | Principal               | Interest         | Total               |
| 2017                                | \$ 524,440              | \$ 34,604        | \$ 559,044          |
| 2018                                | 122,620                 | 16,611           | 139,231             |
| 2019                                | 127,710                 | 11,521           | 139,231             |
| 2020                                | 133,012                 | 6,219            | 139,231             |
| 2021                                | 68,563                  | 1,052            | 69,615              |
| Total                               | <u>\$ 976,345</u>       | <u>\$ 70,007</u> | <u>\$ 1,046,352</u> |

The \$9,645,000 general obligation library refunding bonds (Pueblo Library District) series 2005 with an average interest rate of 4.089% were issued by the County to advance refund \$8,930,000 of outstanding general obligation library (Pueblo Library District Project) series 1999 bonds. In accordance with State law, the refunding bonds represent general obligations of the County payable from ad valorem property taxes to be levied without limitation against all taxable property within the County in an amount sufficient to pay the principal and interest on the bonds.

The \$11,415,000 series 2008 certificates of participation represent assignment of proportionate interests in rights to receive payments pursuant to an annually renewable health department lease purchase agreement dated November 11, 2008 between the County and Wells Fargo Bank, N.A. The principal and interest on the

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III - DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE G - LONG-TERM LIABILITIES, Continued**

certificates are payable solely from annually appropriated base rentals paid by the County to Wells Fargo Bank, N.A. The certificates shall never constitute or give rise to a general obligation or other indebtedness of the County within the meaning of any constitutional, statutory or other debt limitation. All the payment obligations of the County are subject to annual appropriation by the Board of County Commissioners.

The \$23,600,000 series 2009A certificates of participation represent assignment of proportionate interests in rights to receive payments pursuant to an annually terminable amended and restated lease purchase agreement dated December 29, 2009 between the County and Wells Fargo Bank, N.A. The principal and interest on the certificates is payable solely from annually appropriated base rentals paid by the County to Wells Fargo Bank, N.A. The certificates shall never constitute or give rise to a general obligation or other indebtedness of the County within the meaning of any constitutional, statutory or other debt limitation. All the payment obligations of the County are subject to annual appropriation by the Board of County Commissioners. The County designated the 2009A certificates as "Build America Bonds" for purposes of the Federal American Recovery and Reinvestment Act of 2009 and will receive federal direct payments from the United States Treasury equal to 35% of the annual interest on the 2009A certificates for the life of the bonds.

The \$3,000,000 series 2009B certificates of participation represent assignment of proportionate interests in rights to receive payments pursuant to an annually terminable amended and restated lease purchase agreement dated December 29, 2009 between the County and Wells Fargo Bank, N.A. The principal and interest on the certificates is payable solely from annually appropriated base rentals paid by the County to Wells Fargo Bank, N.A. The certificates shall never constitute or give rise to a general obligation or other indebtedness of the County within the meaning of any constitutional, statutory or other debt limitation. All the payment obligations of the County are subject to annual appropriation by the Board of County Commissioners.

The \$55,000,000 series 2012 certificates of participation represent assignment of proportionate interests in rights to receive payments pursuant to an annually terminable amended and restated lease purchase agreement dated March 12, 2012 between the County and Wells Fargo Bank, N.A. The principal and interest on the certificates is payable solely from annually appropriated base rentals paid by the County to Wells Fargo Bank, N.A. The certificates shall never constitute or give rise to a general obligation or other indebtedness of the County within the meaning of any constitutional, statutory or other debt limitation. All the payment obligations of the County are subject to annual appropriation by the Board of County Commissioners.

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new general obligation bonds in escrow to provide for all future debt service payments on the old bonds. Accordingly, the escrow account assets and the liability for the defeased general obligation bonds are not included in the County's financial statements. \$3,210,000 of bonds previously defeased are still outstanding at December 31, 2016.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE G - LONG-TERM LIABILITIES, Continued**

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

Certificates of Participation

|                                                                                                                                                                                                                                                                                                                                                                  |                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| \$7,985,000 series 2005 refunding certificates of participation issue of Pueblo County Capital Construction Corporation (PCCCC); interest rate ranges from 3.5% to 5.0%; due in annual installments including interest ranging from \$601,788 to \$617,925 through December 2024; debt is serviced by the Desert Hawk Golf Course at Pueblo West enterprise fund | <u>\$ 3,985,000</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

Obligations under Capital Leases

|                                                                                                                                                                                                                                       |                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| \$215,790 of obligation under capital lease; interest rate of 3.00%; payable monthly in installments of \$46,011 including interest through June 2020, debt is serviced by the Desert Hawk Golf Course at Pueblo West enterprise fund | <u>173,872</u> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|

Other Obligations

The County entered into an agreement with the Pueblo West Metropolitan District (the District) related to the acquisition and operation of Desert Hawk Golf Course at Pueblo West. Under this agreement the District advanced \$1,450,000 for the acquisition of the golf course with \$170,000 of the advance treated as a non-interest bearing loan and the remaining \$1,280,000 treated as an irrevocable option to acquire the title to all or some of the additional properties identified in the agreement. If the District does not exercise its option on any or all of the additional properties, the portion of the advance not exercised shall become a non-interest bearing loan. Beginning in the calendar year 2005 and going forward the District and the County each fund one-half of the annual debt service requirements. These annual advances are to be treated as non-interest bearing loans. Furthermore, the agreement requires the District to provide untreated water to the enterprise at a rate equal to, but no higher than the actual cost incurred by the District. Any amount of water delivered prior to January 1, 2011 that is not covered by annual revenues shall be treated as non-interest bearing loans. Repayment of all loans is solely from excess revenues over cash disbursements of the enterprise fund and is limited to \$500,000 per year. The amounts due the District under this agreement at December 31, 2016 are as follows:

|                                                 |                             |
|-------------------------------------------------|-----------------------------|
| Advance on Purchase Option                      | 457,000                     |
| Advance on Water Payments, Non-Interest Bearing | 1,279,813                   |
| Non-Interest Bearing Loan                       | <u>4,192,887</u>            |
|                                                 | <u>5,929,700</u>            |
| Total Business-Type Activities                  | <u><u>\$ 10,088,572</u></u> |

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE G - LONG-TERM LIABILITIES, Continued**

The debt service requirements for the business-type activity certificates of participation and capital leases as of December 31, 2016 are as follows:

| Year Ending<br>December 31, | Business-Type Activities      |                   |                     |                   |                  |                   |
|-----------------------------|-------------------------------|-------------------|---------------------|-------------------|------------------|-------------------|
|                             | Certificates of Participation |                   |                     | Capital Leases    |                  |                   |
|                             | Principal                     | Interest          | Total               | Principal         | Interest         | Total             |
| 2017                        | \$ 425,000                    | \$ 187,700        | \$ 612,700          | \$ 41,534         | \$ 4,477         | \$ 46,011         |
| 2018                        | 445,000                       | 168,575           | 613,575             | 42,797            | 3,214            | 46,011            |
| 2019                        | 465,000                       | 148,550           | 613,550             | 44,099            | 1,912            | 46,011            |
| 2020                        | 480,000                       | 127,625           | 607,625             | 45,442            | 571              | 46,013            |
| 2021                        | 505,000                       | 104,625           | 609,625             | -                 | -                | -                 |
| 2022-2024                   | 1,665,000                     | 163,375           | 1,828,375           | -                 | -                | -                 |
| Total                       | <u>\$ 3,985,000</u>           | <u>\$ 900,450</u> | <u>\$ 4,885,450</u> | <u>\$ 173,872</u> | <u>\$ 10,174</u> | <u>\$ 184,046</u> |

The series 2005 refunding certificates of participation of PCCCC represent assignments of proportionate interests in rights to receive payments pursuant to an annually renewable golf course lease purchase agreement dated August 1, 2005 between the County and PCCCC. The principal and interest on the certificates is payable solely from annually appropriated base rentals paid by the County to PCCCC and moneys held by the Trustee in the certificate fund and the reserve fund. The principal and interest on the certificates shall never constitute or give rise to a general obligation or other indebtedness of the County within the meaning of any constitutional, statutory or other debt limitation. All payment obligations of the County are subject to annual appropriation by the Board of County Commissioners.

In prior years, the PCCCC defeased certain certificates of participation by placing the proceeds of new certificates of participation in escrow to provide for all future debt service payments on the old certificates of participation. Accordingly, the escrow account assets and liability for the defeased certificates of participation are not included in the County's financial statements. \$3,808,913 of certificates of participation outstanding previously defeased is still outstanding at December 31, 2016.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE G - LONG-TERM LIABILITIES, Continued**

**Capital Leases**

The County has entered into capital lease agreements for various equipment and machinery under which the equipment will become the property of the County when all terms of the lease agreements have been met. The following schedule presents the future minimum lease payments as of December 31, 2016:

|                                     | Governmental<br>Activities |
|-------------------------------------|----------------------------|
| Future Minimum Lease Payments       | \$ 1,046,352               |
| Less: Amounts Representing Interest | (70,007)                   |
|                                     | <u>\$ 976,345</u>          |

The assets acquired and related accumulated amortization under capital leases are as follows:

|                                | Governmental<br>Activities |
|--------------------------------|----------------------------|
| <b>Assets:</b>                 |                            |
| Buildings and Improvements     | \$ 2,534,269               |
| Less: Accumulated Amortization | (564,954)                  |
|                                | <u>\$ 1,969,315</u>        |

Amortization of assets acquired under capital leases is included with depreciation expense.

**NOTE H - NET POSITION**

Restricted net position is one of three components of net position which consists of restricted assets, reduced by liabilities and deferred inflows of resources related to those assets, whose uses are subject to constraints that are either: (1) externally 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:

|                               | Governmenta<br>l Activities |
|-------------------------------|-----------------------------|
| <b>Restricted for:</b>        |                             |
| TABOR                         | \$ 2,700,000                |
| HVAC Chiller Proceeds         | 29,753                      |
| Judicial Building Proceeds    | 590,896                     |
| SDS Capital Project           | 11,385,446                  |
| Other                         |                             |
| Debt Service                  | 108,406                     |
| Federal Forfeiture Funds      | 116,741                     |
| Housing Revolving Loan Fund   | 445,742                     |
| Other Total                   | <u>670,889</u>              |
| Total Restricted Net Position | <u>\$ 15,376,984</u>        |

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE H - NET POSITION, Continued**

*Restricted for TABOR.* This represents approximately 3% of the County's estimated 2016 fiscal year spending as that term is defined in the Colorado Constitution. Under these provisions of the Constitution, this portion of net position can be used for declared emergencies only and the County must accumulate 3% or more of its fiscal year spending in this account.

*HVAC Chiller Proceeds.* This represents the amount of unspent bond proceeds restricted for the new HVAC Chillers at the Pueblo County Courthouse as well as the Sangre de Cristo Arts Center.

|                       |                  |
|-----------------------|------------------|
| HVAC Chiller Proceeds | \$ <u>29,753</u> |
|-----------------------|------------------|

*Judicial Building Proceeds.* This represents the amount of unspent bond proceeds restricted for the Judicial Building.

|                            |                   |
|----------------------------|-------------------|
| Judicial Building Proceeds | \$ <u>590,896</u> |
|----------------------------|-------------------|

*SDS Capital Project.* This represents the amount received from Colorado Springs Utilities for SDS Condition 13 that is required to be accounted for separately and said expenditures shall be limited to roads and bridges in connection with such land use projects under CRS section 43-2-202(1)(a).

|                     |                      |
|---------------------|----------------------|
| SDS Capital Project | \$ <u>11,385,446</u> |
|---------------------|----------------------|

*Restricted for Debt Service.* This represents the amount available in the debt service fund for future principal and interest payments on the following obligations:

|                                                                                                   |                   |
|---------------------------------------------------------------------------------------------------|-------------------|
| 2005 Series General<br>Obligation Refunding<br>Library Bonds (Pueblo<br>Library District Project) | \$ <u>108,406</u> |
|---------------------------------------------------------------------------------------------------|-------------------|

*Restricted Federal Forfeiture Funds.* This represents the amount held in the general fund in federal forfeiture accounts to be used for federally approved uses:

|                          |                   |
|--------------------------|-------------------|
| Federal Forfeiture Funds | \$ <u>116,741</u> |
|--------------------------|-------------------|

*Restricted Housing Revolving Loan Fund.* This represents the fund balance in the Pueblo County Housing Fund to be used for HUD approved housing improvement projects:

|                                |                   |
|--------------------------------|-------------------|
| Housing Revolving Loan<br>Fund | \$ <u>445,742</u> |
|--------------------------------|-------------------|

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE H - NET POSITION, Continued**

*Prior Period Adjustment*

As of December 31, 2015, the measurement date of January 1, 2014 was used to estimate the County's net pension liability and pension-related deferred outflows of resources and deferred inflows of resources for the Pueblo County Officers and Employees Pension Plan (pension plan). As of December 31, 2016, the measurement date used for the pension plan was January 1, 2016 and the measurement date for December 31, 2015 was changed to January 1, 2015. This change resulted in the following prior period adjustments:

|                                                                | <u>Governmental Activities</u> |
|----------------------------------------------------------------|--------------------------------|
| <b>Net Position at January 1, 2016, as Previously Reported</b> | \$ 103,433,873                 |
| Increase in Net Pension Liability                              | (13,516,341)                   |
| Increase in Deferred Outflows of Resources                     | 4,886,690                      |
| Increase in Deferred Inflows of Resources                      | <u>(2,141,339)</u>             |
| <b>Net Position at January 1, 2016, as Restated</b>            | <u><u>\$ 92,662,883</u></u>    |

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**III -DETAILED NOTES FOR ALL FUNDS, Continued**

**NOTE I - FUND BALANCES**

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

|                                      | Governmental Activities |                 |                      |                              |                          |
|--------------------------------------|-------------------------|-----------------|----------------------|------------------------------|--------------------------|
|                                      | General Fund            | Social Services | Road and Bridge Fund | Non-Major Governmental Funds | Total Governmental Funds |
| <b>Nonspendable Fund Balances:</b>   |                         |                 |                      |                              |                          |
| Inventories                          | \$ 129,095              | \$ -            | \$ 534,248           | \$ -                         | \$ 663,343               |
| Prepaid Items                        | 279,441                 | 185,518         | 1,466                | -                            | 466,425                  |
| Advances to Other Funds              | 395,000                 | -               | -                    | -                            | 395,000                  |
| Notes Receivable                     | 1,423,078               | -               | -                    | 1,400,000                    | 2,823,078                |
| Total Nonspendable Fund Balances:    | 2,226,614               | 185,518         | 535,714              | 1,400,000                    | 4,347,846                |
| <b>Restricted Fund Balances:</b>     |                         |                 |                      |                              |                          |
| TABOR                                | 2,700,000               | -               | -                    | -                            | 2,700,000                |
| Sheriff Assistance                   | 116,741                 | -               | -                    | -                            | 116,741                  |
| Judicial Building                    | -                       | -               | -                    | 590,896                      | 590,896                  |
| Debt Service                         | -                       | -               | -                    | 108,406                      | 108,406                  |
| HVAC Chiller Proceeds                | -                       | -               | -                    | 29,753                       | 29,753                   |
| SDS Capital Projects                 | -                       | -               | 11,385,446           | -                            | 11,385,446               |
| Low and Moderate Income Assistance   | -                       | -               | -                    | 445,742                      | 445,742                  |
| Total Restricted Fund Balances       | 2,816,741               | -               | 11,385,446           | 1,174,797                    | 15,376,984               |
| <b>Committed Fund Balances:</b>      |                         |                 |                      |                              |                          |
| Capital Projects                     | 2,392,843               | -               | -                    | -                            | 2,392,843                |
| <b>Assigned Fund Balances:</b>       |                         |                 |                      |                              |                          |
| Health and Welfare Programs          | -                       | 1,884,820       | -                    | 330,811                      | 2,215,631                |
| County Clerk Technology Improvements | 79,515                  | -               | -                    | -                            | 79,515                   |
| Highways and Streets                 | -                       | -               | 1,104,377            | 202,009                      | 1,306,386                |
| Sheriff Programs                     | 277,036                 | -               | -                    | -                            | 277,036                  |
| Inmate Enhancement                   | -                       | -               | -                    | 151,546                      | 151,546                  |
| Cultural and Recreation              | 109,106                 | -               | -                    | 84,460                       | 193,566                  |
| Excise Tax                           | -                       | -               | -                    | 220,021                      | 220,021                  |
| Employee Insurance Reserves          | 1,217,637               | -               | -                    | -                            | 1,217,637                |
| Retirement Benefits                  | -                       | -               | -                    | 889,774                      | 889,774                  |
| Subsequent Years Expenditures        | 3,185,255               | 205,161         | 3,694,628            | 1,367,736                    | 8,452,780                |
| Total Assigned Fund Balances         | 4,868,549               | 2,089,981       | 4,799,005            | 3,246,357                    | 15,003,892               |
| <b>Unassigned Fund Balance</b>       | 6,880,827               | -               | -                    | -                            | 6,880,827                |
| Total Fund Balances                  | \$19,185,574            | \$2,275,499     | \$16,720,165         | \$ 5,821,154                 | \$ 44,002,392            |

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV -OTHER NOTE DISCLOSURES**

**NOTE A - RISK MANAGEMENT**

County Workers' Compensation Pool

The County is exposed to various risks of loss relative to employees' job-related injuries. The County has elected to manage this risk through self-insurance and participation in the County Workers' Compensation Pool (CWCP), a public entity risk pool operating as a common risk management and insurance program for member counties.

The County is self-insured for job-related injuries up to \$225,000 per occurrence. Coverage for losses in excess of this amount is provided by CWCP. The membership agreement of CWCP provides that the pool be self-sustaining through member premiums and additional assessments, if necessary. In addition, the pool purchases excess insurance through commercial insurance companies for claims in excess of the specified self-insured retention.

Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to property and casualty. The County has elected to manage this risk of loss through self-insurance and participation in the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool operating as a common risk management and insurance program for member counties.

The County is self-insured for property and casualty losses up to \$125,000 per occurrence along with a \$10,000 deductible amount for each wrongful termination claim. CAPP provides coverage for losses in excess of these amounts through the purchase of commercial insurance for claims in excess of the specified self-insured retention.

At December 31, 2016, the determined estimated liability for self-insured workmen's compensation claims and property and liability claims totaled \$879,549, which represents expected losses including claims incurred but not yet reported. The liability was computed based on case loss reserves provided by third-party administrators for losses that have already occurred. Loss Development factors from the latest 9/1/2012 Colorado IRMI published data were applied to the case loss reserves to provide an estimate of future payments.

Changes in the aggregate self-insured claims liability for workmen's compensation and property and casualty for the years ended December 31, 2016 and 2015 are as follows:

|                                              | Year End December 31, |                     |
|----------------------------------------------|-----------------------|---------------------|
|                                              | 2016                  | 2015                |
| Estimated Claims Liability, January 1        | \$ 1,195,874          | \$ 1,038,458        |
| Current Year Claims and Changes in Estimates | 917,178               | 1,652,986           |
| Current Year Payments                        | (1,233,503)           | (1,495,570)         |
| Estimated Claims Liability, December 31      | <u>\$ 879,549</u>     | <u>\$ 1,195,874</u> |

In addition, settlements did not exceed insurance coverage for each of the past three years.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE A - RISK MANAGEMENT, Continued**

**TAX ABATEMENTS, Continued**

**Health Insurance Benefits**

All health coverage, except dental coverage, is being provided through a purchased commercial risk-sharing insurance policy or arrangement. The terms of the policy provide that if claims exceed premiums paid, the County is liable for the difference up to a cap maximum. The prior year deficit will carry forward from year to year, but only up to \$1 million maximum or when claims exceed 105% of premiums, in which case, payment for the excess is due to the insurance provider. The current year has a surplus of \$665,959, which is reported as a prepaid expense.

Changes in the aggregate self-insured claims liability for health for the years ended December 31, 2016 and 2015 are as follows:

|                                              | <u>2016</u>         | <u>2015</u>         |
|----------------------------------------------|---------------------|---------------------|
| Estimated Claims Liability, January 1        | \$ (803,422)        | \$ (742,562)        |
| Current Year Claims and Changes in Estimates | 9,366,362           | 8,777,752           |
| Current Year Payments                        | <u>(9,228,899)</u>  | <u>(8,838,612)</u>  |
| Estimated Claims Liability, December 31      | <u>\$ (665,959)</u> | <u>\$ (803,422)</u> |

Dental coverage is provided through a flexible funded plan accounted for by the County in the general fund. Under the terms of the contract, the County's liability is limited to \$1,000 per participant per year.

**NOTE B - EMPLOYEE BENEFITS**

**Defined Benefit Pension Plan**

*Plan Description.* The Pueblo County Officers and Employees Pension Plan (the Plan) is a single employer defined benefit pension plan administered by the Pueblo County Retirement Board. The Plan provides retirement benefits to plan members and their beneficiaries at the discretion of the Retirement Board subject to applicable State law requirements. The Pueblo County Retirement Board issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to the Pueblo County Retirement Board, 215 W 10th Street, Pueblo, Colorado, 81003-2992 or by calling (719) 583-6026.

*Retirement Benefits.* Normal retirement date is the first of the month on or after reaching age 62 (65 if hired on or after January 1, 2011). The annual benefit payable at normal retirement is equal to 2.1% times final average annual compensation times the years of credited service (1.85% if hired on or after January 1, 2011). The annual benefit will not be greater than 80% of the participant's average annual compensation during the 12 highest paid consecutive months of credited service within the last 120 months. For those participants who

**PUEBLO COUNTY, COLORADO**  
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**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE B - EMPLOYEE BENEFITS, Continued**

were employees on or before December 31, 1996, such annual retirement benefit shall not be less than \$300 multiplied by the participants' credited service.

An active or vested participant who has five or more years of credited service may elect to retire on the first of any month after the attainment of age 55. The benefit will be equal to the accrued benefit reduced by .25% (.417% if hired on or after January 1, 2011) per month for each month by which the early retirement date precedes the normal retirement date. An active participant may also elect to retire with a special early benefit if the sum of their age and years of employment equals at least 75 (80 if hired on or after January 1, 2011) upon termination of employment. The benefit will be equal to the accrued benefit unreduced for early payment but the benefit cannot commence before age 50 (55 if hired on or after January 1, 2011).

An active participant who becomes permanently and totally disabled under the County Long-Term Disability insurance program is entitled to receive a benefit payable at his normal retirement date based on their final average annual compensation prior to disablement and their credit service prior to disablement. Payments will be made for ten years certain and life thereafter.

*Employees Covered by Benefit Terms.* At December 31, 2016, the following employees were covered by the benefit terms:

|                              |              |
|------------------------------|--------------|
| Retirees and Beneficiaries   | 556          |
| Inactive, Nonretired Members | 93           |
| Active Members               | 1,069        |
| Total                        | <u>1,718</u> |

*Contributions.* The Board establishes contributions based on an actuarially determined contribution rate recommended by an independent actuary pursuant to the plan document. The actuarially determined contribution rate is the estimated amount as a percentage of payroll necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer contributions must at least match member contributions. Member contributions are currently 8.25% of covered salary. Contributions to the pension plan from the County were \$4,063,248 for the year ended December 31, 2016.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE B - EMPLOYEE BENEFITS, Continued**

**Net Pension Liability**

The County's net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016.

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of January 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

|                               |                                                                                                                                    |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Cost Method         | Entry Age Normal                                                                                                                   |
| Amortization Method           | Level Dollar Amout, Closed                                                                                                         |
| Remaining Amortization Period | 29 years                                                                                                                           |
|                               | Actuarial value that smooths<br>investment gains and losses over 5<br>years; constrained to a range of<br>80% - 120% of fair value |
| Asset Valuation Method        | 3.0%                                                                                                                               |
| Inflation                     | Graded by service, from 5.5% down<br>to 3.5%                                                                                       |
| Salary Increases              | 7.5%, net of pension plan<br>investment expenses                                                                                   |
| Investment Rate of Return     | An age-related assumption is used<br>for members not yet receiving<br>payments                                                     |
| Retirement Age                |                                                                                                                                    |

Mortality rates were based on the 1994 Group Annuity Mortality Table (healthy) projected to 2010 with Projection Scale AA. Morality rates used for disabled members are based on the 1983 RR Disabled Mortality Table.

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of investment expese, was 7.82%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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 expense 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 pension plan's target asset allocation as of December 31, 2016 are summarized in the following table (note that the rates shown exclude the inflation component of 2.74%):

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE B - EMPLOYEE BENEFITS, Continued**

| <u>Asset Class</u>   | <u>Long-Term Expected Real Rate<br/>of Return</u> |
|----------------------|---------------------------------------------------|
| Private Equity       | 11.39 %                                           |
| International Equity | 8.31 %                                            |
| Domestic Equity      | 7.24 %                                            |
| Real Estate          | 5.10 %                                            |
| Hedge Funds          | 4.82 %                                            |
| Fixed Income         | 1.34 %                                            |

*Discount Rate.* The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy adopted by the Retirement Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all 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.

**Changes in the Net Pension Liability**

|                                                       | <b>Increase (Decrease)</b> |                                |                          |
|-------------------------------------------------------|----------------------------|--------------------------------|--------------------------|
|                                                       | Total Pension Liability    | Plan Fiduciary Net<br>Position | Net Pension<br>Liability |
|                                                       | (a)                        | (b)                            | (a) - (b)                |
| Balances at 12/31/2015                                | \$ 204,821,739             | 123,535,241                    | 81,286,498               |
| Changes for the year:                                 |                            |                                |                          |
| Service Cost                                          | 4,742,577                  | -                              | 4,742,577                |
| Interest                                              | 15,292,143                 | -                              | 15,292,143               |
| Differences Between Expected<br>and Actual Experience | -                          | -                              | -                        |
| Contributions - Employer                              | -                          | 4,063,248                      | (4,063,248)              |
| Contributions - Employee                              | -                          | 4,063,248                      | (4,063,248)              |
| Net Investment Income                                 | -                          | 9,550,186                      | (9,550,186)              |
| Benefit Payments                                      | (11,338,141)               | (11,338,141)                   | -                        |
| Administrative Expense                                | -                          | (202,669)                      | 202,669                  |
| Net Changes                                           | \$ 8,696,579               | \$ 6,135,872                   | \$ 2,560,707             |
| Balances at 12/31/2016                                | 213,518,318                | 129,671,113                    | 83,847,205               |

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE B - EMPLOYEE BENEFITS, Continued**

*Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the Plan's net pension 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<br>(6.50%) | Single Discount Rate<br>Assumption<br>(7.50%) | 1% Increase<br>(8.50%) |
|--------------------------------|------------------------|-----------------------------------------------|------------------------|
| County's Net Pension Liability | \$ 108,013,770         | \$ 83,847,205                                 | \$ 63,287,037          |

*Pension Plan Fiduciary Net Position.* Detailed information about the Plan's fiduciary net position is available in the Plan's annual financial report which can be obtained by writing to the Pueblo County Retirement Board, 215 W. 10th Street, Pueblo, Colorado 81003-2992 or by calling (719)583-6026.

**Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pueblo County Officers and Employees Pension Plan**

For the year ended December 31, 2016, the County recognized pension expense of \$ 6,903,429 . At December 31, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                  | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|----------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Difference Between Expected and Actual Experience                                | \$ 2,205,712                      | \$ 1,721,469                     |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 7,076,850                         | -                                |
| Total                                                                            | <u>\$ 9,282,562</u>               | <u>\$ 1,721,469</u>              |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE B - EMPLOYEE BENEFITS, Continued**

|            |    |                  |
|------------|----|------------------|
| Year Ended |    |                  |
| 2017       | \$ | 2,504,599        |
| 2018       |    | 2,504,599        |
| 2019       |    | 2,188,137        |
| 2020       |    | (69,993)         |
| 2021       |    | 390,504          |
| Thereafter |    | 43,247           |
|            | \$ | <u>7,561,093</u> |

**Payable to the Pension Plan**

At December 31, 2016, the County reported a payable of \$ 333,521 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2016.

**Colorado Public Employees Retirement Association (PERA)**

*Plan Description.* The District Attorney of Pueblo County is provided with a pension through the State Division Trust Fund (SDTF) - a cost sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits Provided.* PERA provides retirement, disability and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which members retire, the benefit option selected at retirement and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713 and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annualized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of the highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE B - EMPLOYEE BENEFITS, Continued**

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers, waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts, depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases as outlined in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year.

Benefit recipients under the PERA benefit structure who began employment after January 1, 2007 receive an annual increase of the lesser of 2% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve for the SDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained and the qualified survivor(s) who will receive the benefits.

*Contributions.* The District Attorney and the County are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below (rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42)):

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE B - EMPLOYEE BENEFITS, Continued**

|                                                                                                                          | <u>Rate</u>           |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Employer Contribution Rate                                                                                               | 10.15 %               |
| Amount of Employer Contribution<br>apportioned to the Health Care Trust Fund<br>as specified in C.R.S. § 24-51-208(1)(f) | <u>(1.02)%</u>        |
| Amount Apportioned to the SDTF                                                                                           | 9.13 %                |
| Amortization Equalization Disbursement<br>(AED) as specified in C.R.S. § 24-51-411                                       | 4.20 %                |
| Supplemental Amortization Equalization<br>Disbursement (SAED) as specified in<br>C.R.S. §24-51-411                       | <u>4.00 %</u>         |
| Total Employer Contribution Rate to the<br>SDTF                                                                          | <u><u>17.33 %</u></u> |

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the County is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the County were \$ 26,347 for the year ended December 31, 2016.

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

At December 31, 2016 the County reported a liability of \$ 575,942 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The County's proportion of the net pension liability was based on the County's contributions to the SDTF for the calendar year 2015 relative to the total contributions of participating employers to the SDTF.

At December 31, 2015, the County's proportion was 0.005469 %, which was a decrease of 0.000177 % from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the County recognized pension expense of \$ 11,342 . At December 31, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE B - EMPLOYEE BENEFITS, Continued**

|                                                                                                                                 | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Difference Between Expected<br>and Actual Experience                                                                            | \$ 8,386                          | \$ 18                            |
| Changes in Assumptions or<br>Other Inputs                                                                                       | -                                 | 6,817                            |
| Net Difference Between<br>Projected and Actual<br>Earnings on Pension Plan<br>Investments                                       | 43,397                            | -                                |
| Changes in Proportionate Share<br>Difference Between<br>Contributions Recognized<br>and Proportionate Share of<br>Contributions | -                                 | 18,000                           |
| Contributions Subsequent to<br>the Measurement Date                                                                             | 27,720                            | -                                |
| Total                                                                                                                           | <u>\$ 79,503</u>                  | <u>\$ 24,949</u>                 |

\$ 27,720 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of 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 in pension expense as follows:

|            |                  |
|------------|------------------|
| Year Ended |                  |
| 2017       | \$ (949)         |
| 2018       | 7,396            |
| 2019       | 11,505           |
| 2020       | 8,882            |
|            | <u>\$ 26,834</u> |

*Actuarial Assumptions.* The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE B - EMPLOYEE BENEFITS, Continued**

|                                                                                                               |                                         |
|---------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| Price Inflation                                                                                               | 2.80 %                                  |
| Real Wage Growth                                                                                              | 1.10 %                                  |
| Wage Inflation                                                                                                | 3.90 %                                  |
| Salary Increase, Including Wage Inflation                                                                     | 3.90% - 9.57%                           |
| Long-Term Investment Rate of Return, Net<br>of Pension Plan Investment Expenses,<br>Including Price Inflation | 7.50 %                                  |
| PERA Benefit Structure Hired Prior to<br>01/01/2007; and DPS Benefit Structure<br>(automatic)                 | 2.00 %                                  |
| PERA Benefit Structure hired after<br>12/31/2006 (ad hoc, substantively<br>automatic)                         | Financed by the Annual Increase Reserve |

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with males set back one year, and females set back two years.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

Changes to the assumptions or other inputs since the December 21, 2013 actuarial valuation as as follows:

The following programming changes were made:

- Valuation of the full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18 month annual increase timing,
- Refinements to directly value certain and life, modified cash refund and pop=up benefit forms.

The following methodology changes were made:

- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds or future termination members.
- Adjustments to the timing of normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

The SDTF's long-term expected rate of return on pension plan investments was determined using a log-normal

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE B - EMPLOYEE BENEFITS, Continued**

distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class                 | Target Allocation | 10 Year Expected<br>Geometric Real Rate<br>of Return |
|-----------------------------|-------------------|------------------------------------------------------|
| U.S. Equity - Large Cap     | 26.76 %           | 5.00 %                                               |
| U.S. Equity - Small Cap     | 4.40 %            | 5.19 %                                               |
| Non U.S. Equity - Developed | 22.06 %           | 5.29 %                                               |
| Non U.S. Equity - Emerging  | 6.24 %            | 6.76 %                                               |
| Core Fixed Income           | 24.05 %           | 0.98 %                                               |
| High Yield                  | 1.53 %            | 2.64 %                                               |
| Long Duration Gov't/Credit  | 0.53 %            | 1.57 %                                               |
| Emerging Market Bonds       | 0.43 %            | 3.04 %                                               |
| Real Estate                 | 7.00 %            | 5.09 %                                               |
| Private Equity              | 7.00 %            | 7.15 %                                               |
| Total                       | 100.00 %          |                                                      |

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate applies the actuarial cost method and assumptions show above. In addition, the following methods and assumptions were used in the projections of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE B - EMPLOYEE BENEFITS, Continued**

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reached 103%, at which point the AED and SAED will each drop .50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the Annual Increase Reserve (AIR) and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and assumptions, the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current 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. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.50%) or 1% higher (8.50%) than the current rate:

|                                                  | 1% Decrease<br>(6.50%) | Current Discount Rate<br>(7.50%) | 1% Increase<br>(8.50%) |
|--------------------------------------------------|------------------------|----------------------------------|------------------------|
| Proportionate Share of the Net Pension Liability | \$ 727,622             | \$ 575,942                       | \$ 449,067             |

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE B - EMPLOYEE BENEFITS, Continued**

*Pension Plan Fiduciary Net Position.* Detailed information about the SDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Other Post-Employment Benefits PERA**

**HEALTH CARE TRUST FUND**

*Plan Description.* The County contributed to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy.* The County is required to contribute a rate of 1.02% of the PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the County are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2016, 2015 and 2014, the County contributions to the HCTF were \$1,551, \$1,551 and \$1,551, respectively, equal to their required contributions for each year.

**OTHER POST-EMPLOYMENT BENEFITS PLAN**

*Plan Description.* The County provides post-employment insurance benefits to certain eligible employees through the Pueblo County Retiree Health Insurance Plan, a single-employer defined benefit plan administered by the County. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements.

All retirees of the County have the option under State law to continue their medical insurance coverage through the County from the time of retirement until the employee reaches the age of 65. Members are required to contribute the full premium amount. In addition to the medical benefits, all retirees are eligible for a life insurance benefit that is in force until their death, regardless of age. This benefit has a face amount of \$2,000.

*Funding Policy.* The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined annually by the County. For the year ended December 31, 2016, the County contributed \$257,520 to the plan.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE B - EMPLOYEE BENEFITS, Continued**

*Annual OPEB Cost and Net OPEB Obligation.* The County's annual OPEB cost (expense) is calculated based on annual required contributions (ARC) of the County, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Statements No's. 43 and 45. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the County's net OPEB obligation to the plan.

|                                            |                            |
|--------------------------------------------|----------------------------|
| Annual Required Contribution               | \$ 967,773                 |
| Interest on Net OPEB Obligation            | 131,773                    |
| Adjustment to Annual Required Contribution | <u>(187,140)</u>           |
| Annual OPEB Obligation                     | <u>912,406</u>             |
| Contributions Made                         | <u>(257,520)</u>           |
| Increase in Net OPEB Obligation            | 654,886                    |
| Net OPEB Obligation, Beginning of Year     | <u>3,422,686</u>           |
| Net OPEB Obligation, End of Year           | <u><u>\$ 4,077,572</u></u> |

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years are as follows:

| Year Ended<br>December 31, | Annual OPEB<br>Cost | Employer<br>Contribution | Percentage of<br>Annual OPEB<br>Cost Contributed | Net OPEB<br>Obligation |
|----------------------------|---------------------|--------------------------|--------------------------------------------------|------------------------|
| 2014                       | \$ 966,607          | \$ 228,904               | 23.70 %                                          | \$ 2,695,154           |
| 2015                       | 1,010,549           | 283,017                  | 28.00 %                                          | 3,422,686              |
| 2016                       | \$ 912,406          | \$ 257,520               | 28.20 %                                          | \$ 4,077,572           |

*Funded Status and Funding Progress.* As of January 1, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$7,717,218, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,717,218. The covered payroll (annual payroll of active employees covered by the plan) was \$48,134,904, and the ratio of the UAAL to the covered payroll was 16.03%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE B - EMPLOYEE BENEFITS, Continued**

compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2016 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 3.85% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate (HCCTR) of 9.0% in the initial year, 8.5% for the second year, and reduced by decrements to an ultimate rate of 4.5% in 2024. The actuarial value of assets was determined using the fair value of assets. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The inflation rate assumption has two parts. The assumed rates of increase applied to retiree premiums are same as HCCTR. The assumed rate of annual payroll growth is 4.0%. The remaining amortization period at December 31, 2016 was 30 years.

The healthcare cost inflation rates reported above include a 2.5% general inflation rate assumption.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE C - OTHER REPORTING ENTITY DISCLOSURES**

**STATEMENT OF NET POSITION**

Condensed Financial Statements – Discretely Presented Component Units

|                                       | Pueblo County<br>Emergency<br>Telephone Service<br>Authority | Runyon Sports<br>Complex<br>Commission Inc. | Total             |
|---------------------------------------|--------------------------------------------------------------|---------------------------------------------|-------------------|
| <b>ASSETS</b>                         |                                                              |                                             |                   |
| Cash and Cash Equivalents             | \$ 173,597                                                   | \$ 241,079                                  | \$ 414,676        |
| Investments                           | -                                                            | 66,348                                      | 66,348            |
| Other Receivables, Net                | 69,199                                                       | -                                           | 69,199            |
| Capital Assets:                       |                                                              |                                             |                   |
| Machinery and Equipment               | 305,670                                                      | -                                           | 305,670           |
| Less Accumulated Depreciation         | (206,541)                                                    | -                                           | (206,541)         |
| Total Capital Assets, net             | 99,129                                                       | -                                           | 99,129            |
| TOTAL ASSETS                          | <u>341,925</u>                                               | <u>307,427</u>                              | <u>649,352</u>    |
| <b>LIABILITIES</b>                    |                                                              |                                             |                   |
| Accounts Payable and Accrued Expenses | <u>27,515</u>                                                | <u>4,166</u>                                | <u>31,681</u>     |
| TOTAL LIABILITIES                     | <u>27,515</u>                                                | <u>4,166</u>                                | <u>31,681</u>     |
| <b>NET POSITION</b>                   |                                                              |                                             |                   |
| Net Investment in Capital Assets      | 99,129                                                       | -                                           | 99,129            |
| Unrestricted                          | 215,281                                                      | 303,261                                     | 518,542           |
| TOTAL NET POSITION                    | <u>\$ 314,410</u>                                            | <u>\$ 303,261</u>                           | <u>\$ 617,671</u> |

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE C - OTHER REPORTING ENTITY DISCLOSURES, Continued**

**STATEMENT OF ACTIVITIES**

Condensed Financial Statements – Discretely Presented Component Units

|                                                 | Pueblo County<br>Emergency<br>Telephone<br>Service<br>Authority | Runyon Sports<br>Complex<br>Commission Inc | Total             |
|-------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------|-------------------|
| <b>EXPENSES:</b>                                |                                                                 |                                            |                   |
| <b>Public Safety:</b>                           |                                                                 |                                            |                   |
| Administration                                  | \$ 534,379                                                      | \$ -                                       | \$ 534,379        |
| Depreciation                                    | 40,917                                                          | -                                          | 40,917            |
| <b>Culture and Recreation:</b>                  |                                                                 |                                            |                   |
| Baseball Park Operations:                       |                                                                 |                                            |                   |
| Personnel Services                              | -                                                               | 341,465                                    | 341,465           |
| Supplies                                        | -                                                               | 233,809                                    | 233,809           |
| Professional Services                           | -                                                               | 15,485                                     | 15,485            |
| Insurance                                       | -                                                               | 24,945                                     | 24,945            |
| Administrative Costs                            | -                                                               | 49,398                                     | 49,398            |
| Contribution of Capital Assets to Pueblo County | -                                                               | 22,029                                     | 22,029            |
| <b>TOTAL EXPENSES</b>                           | <b>575,296</b>                                                  | <b>687,131</b>                             | <b>1,262,427</b>  |
| <b>PROGRAM REVENUES:</b>                        |                                                                 |                                            |                   |
| Charges for Services                            | 463,282                                                         | 585,590                                    | 1,048,872         |
| Operating Grants & Contributions                | -                                                               | 122,155                                    | 122,155           |
| <b>TOTAL PROGRAM REVENUES</b>                   | <b>463,282</b>                                                  | <b>707,745</b>                             | <b>1,171,027</b>  |
| <b>NET (EXPENSE) REVENUE</b>                    | <b>(112,014)</b>                                                | <b>20,614</b>                              | <b>(91,400)</b>   |
| <b>GENERAL REVENUES</b>                         |                                                                 |                                            |                   |
| Interest Income                                 | 1,201                                                           | 505                                        | 1,706             |
| Other Revenues                                  | 8,836                                                           | -                                          | 8,836             |
| <b>TOTAL GENERAL REVENUES</b>                   | <b>10,037</b>                                                   | <b>505</b>                                 | <b>10,542</b>     |
| <b>CHANGE IN NET POSITION</b>                   | <b>(101,977)</b>                                                | <b>21,119</b>                              | <b>(80,858)</b>   |
| <b>NET POSITION, Beginning of Year</b>          | <b>416,387</b>                                                  | <b>282,142</b>                             | <b>698,529</b>    |
| <b>NET POSITION, End of Year</b>                | <b>\$ 314,410</b>                                               | <b>\$ 303,261</b>                          | <b>\$ 617,671</b> |

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE C - OTHER REPORTING ENTITY DISCLOSURES, Continued**

**STATEMENT OF CASH FLOWS**

Condensed Financial Statements – Discretely Presented Component Units

|                                                                                                       | Pueblo County<br>Emergency<br>Telephone<br>Service<br>Authority | Runyon Sports<br>Complex<br>Commission Inc | Total        |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                           |                                                                 |                                            |              |
| Receipts from Customers                                                                               | \$ 461,318                                                      | \$ 585,590                                 | \$ 1,046,908 |
| Payments to Suppliers                                                                                 | (299,369)                                                       | (321,599)                                  | (620,968)    |
| Payments to Employees                                                                                 | (234,855)                                                       | (341,465)                                  | (576,320)    |
| Net Cash Used by Operating Activities                                                                 | (72,906)                                                        | (77,474)                                   | (150,380)    |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                                |                                                                 |                                            |              |
| Operating Grants & Contributions                                                                      | -                                                               | 122,155                                    | 122,155      |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                       |                                                                 |                                            |              |
| Purchases of Capital Assets                                                                           | (9,148)                                                         | (22,030)                                   | (31,178)     |
| Net Cash Used by Capital and Related Financing Activities                                             | (9,148)                                                         | (22,030)                                   | (31,178)     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                           |                                                                 |                                            |              |
| Purchase of Investments                                                                               | -                                                               | (10,201)                                   | (10,201)     |
| Interest Received                                                                                     | 1,201                                                           | 505                                        | 1,706        |
| Net Cash Provided (Used) by Investing Activities                                                      | 1,201                                                           | (9,696)                                    | (8,495)      |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS                                                  | (80,853)                                                        | 12,955                                     | (67,898)     |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR                                                        | 254,450                                                         | 228,124                                    | 482,574      |
| CASH AND CASH EQUIVALENTS AT END OF YEAR                                                              | \$ 173,597                                                      | \$ 241,079                                 | \$ 414,676   |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b> |                                                                 |                                            |              |
| Operating Income (Loss)                                                                               | (112,014)                                                       | (79,511)                                   | (191,525)    |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: |                                                                 |                                            |              |
| Depreciation Expense                                                                                  | 40,917                                                          | -                                          | 40,917       |
| Change in Assets and Liabilities -                                                                    |                                                                 |                                            |              |
| Accounts Receivable                                                                                   | (1,964)                                                         | -                                          | (1,964)      |
| Accounts Payable and Accrued Expenses                                                                 | 155                                                             | 2,037                                      | 2,192        |
| NET CASH USED BY OPERATING ACTIVITIES                                                                 | \$ (72,906)                                                     | \$ (77,474)                                | \$ (150,380) |

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE C - OTHER REPORTING ENTITY DISCLOSURES, Continued**

**JOINT VENTURES**

**PUEBLO REGIONAL BUILDING DEPARTMENT**

The County is a participant with the City of Pueblo, Colorado (the City) in a joint venture known as the Pueblo Regional Building Department (the Department). The Department's purpose is to enforce building codes and license contractors throughout the City and County. The governing body is composed of nine members, four of which are appointed by the County, four are appointed by the City, and one member is jointly appointed. The Department is required to submit monthly reports of revenues and expenditures to the County and City and their annual budget is subject to the approval of the County and City. In addition, the agreement stipulates that if allocated expenses exceed revenues for either the County or City, the Department can assess the County or City for the deficit. Complete financial statements for the Department can be obtained from the Department's administrative office located at 830 N. Main Street, Pueblo, Colorado.

**PUEBLO CITY-COUNTY HEALTH DEPARTMENT**

The Pueblo City-County Health Department (the Department) is also a joint venture between the City of Pueblo and the County of Pueblo. The Department was created in 1952 for the purpose of providing public health care services to the residents of the City and County of Pueblo. A portion of the Department's revenues are composed of subsidies from the City and County of Pueblo, with the County's portion totaling \$993,300 for 2016. The governing body of the Department is composed of five members, two of which are appointed by the County, two are appointed by the City of Pueblo, and one member is jointly appointed.

The governing body of the Department appoints the administrator and the administrator appoints all other personnel. The joint venture agreement requires that the governing body of the Department submit a proposed annual operating budget to the City and County for their approval. Based upon the proposed budget, the City and County individually determine the amount of their respective annual subsidies for the Department. The joint venture agreement also stipulates that the participants shall endeavor to appropriate funds to the department that are reasonable, fair and equitable to all parties. Complete financial statements for the Pueblo City-County Health Department can be obtained from their administrative office located at 101 W. 9th Street, Pueblo, Colorado.

**HISTORIC ARKANSAS RIVERWALK AUTHORITY**

The County is a participant with the City of Pueblo (the City), the Pueblo Urban Renewal Authority (PURA), the Pueblo Conservancy District (the Conservancy District) and the Board of Water Works (the Board) in a joint venture known as the Historic Arkansas Riverwalk Authority (the Authority). The Authority's purpose is to promote, manage, supervise, operate, develop and maintain the Historic Arkansas Riverwalk Project (HARP). The governing body is composed of five members, two of which are appointed by the City, while each of the other participants appoints one member.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE C - OTHER REPORTING ENTITY DISCLOSURES, Continued**

**JOINT VENTURES, Continued**

The Authority is required to submit an annual budget to each of the participants except the Board. The budget is to include a specific line item for each participant's subsidy except the Board's. The governing body of each participant, in its sole discretion, shall approve such budgeted specific line item for appropriation to the Authority in an amount equal to, greater or less than the amount contained in the annual plan and budget. During 2016, the County appropriated \$178,640 to the Authority. Complete financial statements for the Authority can be obtained from their administrative office located at 125 Riverwalk Place, Pueblo, Colorado.

**JOINTLY GOVERNED ORGANIZATION**

**PUEBLO AREA COUNCIL OF GOVERNMENTS (PACOG)**

PACOG was formed in 1971 to serve as an inter-local advisory board through which local governmental entities may be aided in dealing with issues of common interest that transcend geographic borders to include a comprehensive regional planning process. PACOG's governing body is composed of 15 members, of which three are County commissioners. The County's accountability is limited to making these appointments. During 2016, the County appropriated \$37,733 to PACOG.

**NOTE D - TAX ABATEMENTS**

The County is authorized under Colorado Revised Statutes to negotiate incentive payments for any business personal property taxes for any taxpayer who establishes a new business facility or expands an existing facility within the County.

For the year ending December 31, 2016 The County abated \$6,776,024 in business personal property taxes. The following includes all active tax abatement agreements entered into by the County:

A 50% business personal property tax abatement to an energy provider in connection with the construction of an additional coal – powered electric generating plant in Pueblo County. The full term of the credit began in 2012 and will continue through 2021. The abatement for 2016 amounted to \$4,165,774, of which \$679,816 was treated as a credit and \$3,485,958 was collected and then refunded.

A 50% business personal property tax abatement to an electric provider in connection with the construction and installation of two 90-megawatt LMS 100 natural gas fired turbines, two 100-megawatt natural gas fired combined cycle plants, a 115-KV switchyard and supporting facilities used for the purpose of generating electricity for the provider to serve the needs of its customers in its certified service territory. The full term of the agreement began in 2012 and will continue for 10 consecutive years through 2021. The abatement for 2016 amounts to \$1,537,357 of which \$249,730 was treated as a credit and \$1,287,627 was collected and then refunded.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE D - TAX ABATEMENTS , Continued**

A 50% business personal property tax abatement to a distributor and marketer of cement, ready-mixed concrete, aggregates and innovative products related to the construction industries in Mexico and the United States. The company established a new business facility as a cement plant and collocated limestone quarry operation located in an enterprise zone. The construction of the new business facility was completed in 2008 and commenced operation. The application of incentives began in 2010 and will continue through 2019. The abatement for 2016 amounts to \$1,063,776 and was treated as a credit.

A 100% business personal property tax abatement of the amount determined and assessed by the County Assessor to a solar company with renewable energy assets located in Pueblo County. The “Renewable Energy Fixture” meets necessary requirements to receive an annual ad valorem tax credit. The tax credit began in 2009 and will continue through 2029. The abatement for 2016 amounts to \$9,117 and was treated as a credit.

**NOTE E - COMMITMENTS AND CONTINGENCIES**

**1. Grants and Other.** The County participates in a number of federal and state assisted grant programs. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audit could become a liability of the County. In the opinion of management, however, any such disallowed claims will not have a material effect on the financial statements of the County as of and for the year ended December 31, 2016.

The County is responsible for administering certain federal and state social services programs for which the related revenue and expenditures are not included in the accompanying financial statements since the State of Colorado makes the grant disbursements. The following schedule lists Pueblo County electronic benefit transfer authorizations, warrant expenditures, and total expenditures associated with the social services special revenue fund for the year ended December 31, 2016:

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE E - COMMITMENTS AND CONTINGENCIES, Continued**

|                                         | A              | B              | C                                    | D                                    | E                                                                             | F                             |
|-----------------------------------------|----------------|----------------|--------------------------------------|--------------------------------------|-------------------------------------------------------------------------------|-------------------------------|
|                                         | County EBT/EFT |                |                                      |                                      | County EBT/EFT<br>Authorizations Plus<br>Expenditures by<br>County<br>Warrant | Total                         |
| Program                                 | Authorizations | Refunds        | County Share<br>of<br>Authorizations | Expenditures<br>by County<br>Warrant | (Col.A+Col.B+Col.D<br>)                                                       | Expenditures<br>(Col.C+Col.D) |
| Regular Administration*                 | \$ 825,317     | \$ -           | \$ 207                               | \$ 7,012,480                         | \$ 7,837,797                                                                  | \$ 7,012,687                  |
| Single Entry Point                      | -              | -              | -                                    | 1,862,686                            | 1,862,686                                                                     | 1,862,686                     |
| Special Child Welfare                   | -              | -              | -                                    | 1,101,079                            | 1,101,079                                                                     | 1,101,079                     |
| General Assistance                      | -              | -              | -                                    | -                                    | -                                                                             | -                             |
| Aid to the Needy Disabled               | 2,753,213      | (465,611)      | 8,375                                | 452,469                              | 2,740,071                                                                     | 460,844                       |
| Child Support Enforcement               | -              | (6,768)        | -                                    | 2,247,927                            | 2,241,159                                                                     | 2,247,927                     |
| Child Care                              | 2,245,915      | (40)           | 7                                    | 720,262                              | 2,966,137                                                                     | 720,269                       |
| Old Age Pension                         | 4,150,300      | (16,851)       | 26,121                               | 126,265                              | 4,259,714                                                                     | 152,386                       |
| Low-Income Energy<br>Assistance Program | 4,100,929      | -              | -                                    | 327,424                              | 4,428,353                                                                     | 327,424                       |
| Core Services                           | 549,591        | -              | 1,430                                | 1,366,462                            | 1,916,053                                                                     | 1,367,892                     |
| Child Welfare**                         | 5,615,242      | -              | -                                    | 7,937,576                            | 13,552,818                                                                    | 7,937,576                     |
| Colorado Works (TANF)                   | 9,575,389      | (1,298,528)    | 7,114                                | 3,662,352                            | 11,939,213                                                                    | 3,669,466                     |
| IV-E Funds Pass Through                 | -              | -              | -                                    | -                                    | -                                                                             | -                             |
| Employment First                        | 105,795        | -              | 45,036                               | 180,815                              | 286,610                                                                       | 225,851                       |
| Medicaid Transportation                 | -              | -              | -                                    | 595,520                              | 595,520                                                                       | 595,520                       |
| Collab Mgmt/EPSTD/Other<br>Grants       | -              | -              | -                                    | 470,298                              | 470,298                                                                       | 470,298                       |
| Subtotal                                | 29,921,691     | (1,787,798)    | 88,290                               | 28,063,615                           | 56,197,508                                                                    | 28,151,905                    |
| Food Assistance                         | 57,657,900     | (40,104)       | -                                    | -                                    | 57,617,796                                                                    | -                             |
| Total                                   | \$ 87,579,591  | \$ (1,827,902) | \$ 88,290                            | \$ 28,063,615                        | \$ 113,815,304                                                                | \$ 28,151,905                 |

\* Regular Administration includes: County Administration Block Grant, Non-Allocated Programs, Food Assistance Fraud, Data Processing, Adult Protective Services and Home Care Allowance.

A. Welfare payments authorized by the County Department of Social Services. These authorizations are paid by the state Department of Human Services via Quest debit cards or by electronic funds transfer (EFT).

B. Refunds of welfare payments, authorized in error, recovered from recipients by the County Department of Social Services.

C. County Share of EBT Authorizations. These amounts are settled monthly by reduction of state cash advances to the County.

D. Expenditures made by County warrants or other County payment methods.

E. This represents the total cost of the welfare programs that are administered by Pueblo County.

F. This total matches total expenditures for Social Services Special Revenue Fund column on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE E - COMMITMENTS AND CONTINGENCIES, Continued**

**2. Encumbrances.** Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as a management control device. Encumbrances do not constitute expenditures or liabilities because the commitment is appropriated and honored during the subsequent fiscal year. Encumbrances outstanding at December 31, 2016 for governmental funds are as follows:

|                 |                     |
|-----------------|---------------------|
| General Fund    | \$ 15,819           |
| Social Services | 2,685               |
| Road & Bridge   | 3,664,508           |
| Non-Major Funds | <u>842,469</u>      |
|                 | <u>\$ 4,525,481</u> |

**3. Legal Debt Margin.** Based on Colorado state statutes, the County's indebtedness for general obligation bonds shall not exceed three percent of actual value as determined by the last final assessment of the taxable property within the County. General obligation debt outstanding at December 31, 2016, totaled \$3,145,000. Pursuant to Colorado state statutes (C.R.S 24-90-112.5), the general obligation library bonds (Pueblo Library District Project) series 2005 are not subject to such limitation. Therefore, at December 31, 2016, the County's debt limit was \$359,321,209 and the debt margin was \$359,321,209.

**4. Arbitrage Liability.** The County has had its various debt instruments audited for arbitrage liability by a certified independent firm and the County has no resulting arbitrage liability.

**5. Conduit Debt Obligations.**

**Industrial Revenue Bonds.** From time to time, the County issues industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received from private sector entities. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity. Neither the County, state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2016, there were several series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$24,489,554.

**6. Operating Leases.** The County has entered into various non-cancelable operating leases for property and equipment; however, all of these leases are subject to annual appropriation by the Board of County Commissioners. Expenditures/Expenses incurred in 2016 for operating leases were \$832,177 in the governmental funds and \$0 in the proprietary fund.

**PUEBLO COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**IV -OTHER NOTE DISCLOSURES, Continued**

**NOTE E - COMMITMENTS AND CONTINGENCIES, Continued**

Presented below is a schedule by years of future minimum rental payments for governmental activities required under these leases:

| <u>Year Ended December 31,</u> | <u>Lease<br/>Payments</u> |
|--------------------------------|---------------------------|
| 2017                           | \$ 549,813                |
| 2018                           | 128,652                   |
| 2019                           | 15,552                    |
|                                | <u>\$ 694,017</u>         |

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

The County is a defendant in numerous lawsuits and claims arising in the normal course of operations. The County is vigorously defending all such claims and it is anticipated that the outcome of such claims and litigation will not have a material adverse effect on the financial position of the County.

**8. Other Commitments.** The County has pledged to contribute to the Young Men's Christian Association (YMCA) a total of \$2,000,000 payable in equal installments of \$200,000 per year for 10 years beginning in 2008 subject to available funds annually. The purpose of this pledge is to cooperatively promote, advance and provide recreational facilities, activities and opportunities for the citizens of Pueblo County. This contribution was made to the YMCA as part of their capital campaign and the yearly payment is subject to annual appropriation by the Board of County Commissioners. The County's 2013, 2014, 2015 and 2016 installments were reduced to \$100,000 but no modification to the original commitment has been authorized by the Board of County Commissioners.

**9. Subsequent Events.** Subsequent to December 31, 2016, the County awarded various contracts for infrastructure improvements, building construction and improvements, equipment purchases, professional services, public safety, economic development and community service commitments totaling \$16,089,871.

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER THAN MD&A**

**PUEBLO COUNTY, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2016**

|                                 | Budgeted Amounts  |                   | Actual            | Variance with    |
|---------------------------------|-------------------|-------------------|-------------------|------------------|
|                                 | Original          | Final             | Budget            | Final Budget     |
|                                 |                   |                   | Basis             | - Positive       |
|                                 |                   |                   |                   | (Negative)       |
| <b>REVENUES</b>                 |                   |                   |                   |                  |
| Taxes:                          |                   |                   |                   |                  |
| Property Taxes, Net             | \$ 38,544,910     | \$ 38,544,910     | \$ 38,635,334     | \$ 90,424        |
| Specific Ownership Taxes        | 3,200,000         | 3,200,000         | 3,563,151         | 363,151          |
| Sales and Use Taxes             | 13,936,000        | 13,936,000        | 15,209,240        | 1,273,240        |
| Fees and Fines                  | 55,500            | 55,500            | 47,752            | (7,748)          |
| Licenses and Permits            | 1,098,200         | 1,098,200         | 1,690,831         | 592,631          |
| Intergovernmental               | 13,588,263        | 13,591,263        | 13,585,456        | (5,807)          |
| Charges for Services            | 6,746,453         | 6,796,453         | 7,397,926         | 601,473          |
| Investment Earnings             | 180,000           | 180,000           | 333,469           | 153,469          |
| Miscellaneous                   | 1,940,400         | 1,240,400         | 1,247,967         | 7,567            |
| <b>TOTAL REVENUES</b>           | <b>79,289,726</b> | <b>78,642,726</b> | <b>81,711,126</b> | <b>3,068,400</b> |
| <b>EXPENDITURES</b>             |                   |                   |                   |                  |
| Current:                        |                   |                   |                   |                  |
| General Government:             |                   |                   |                   |                  |
| County Commissioners            | 807,499           | 807,499           | 759,419           | 48,080           |
| Other Administration            | 5,171,861         | 5,171,861         | 5,823,964         | (652,103)        |
| County Attorney                 | 1,142,536         | 1,142,536         | 1,163,323         | (20,787)         |
| County Surveyor                 | 7,700             | 7,700             | 11,649            | (3,949)          |
| County Clerk/Recorder           | 1,670,516         | 1,670,516         | 1,599,229         | 71,287           |
| Election                        | 1,134,145         | 1,224,145         | 1,353,606         | (129,461)        |
| Treasurer                       | 893,502           | 893,502           | 843,079           | 50,423           |
| Assessor                        | 1,500,900         | 1,500,900         | 1,392,834         | 108,066          |
| District Attorney               | 4,043,225         | 4,043,225         | 3,986,915         | 56,310           |
| Office of Budget                | 665,977           | 665,977           | 629,543           | 36,434           |
| Purchasing                      | 196,721           | 196,721           | 171,356           | 25,365           |
| Human Resources                 | 448,600           | 448,600           | 460,532           | (11,932)         |
| Planning/Development            | 1,011,405         | 1,011,405         | 947,276           | 64,129           |
| Information Technology          | 2,522,428         | 2,522,428         | 2,355,285         | 167,143          |
| Fleet/Equipment Management      | 1,349,350         | 1,349,350         | 1,303,398         | 45,952           |
| Facilities                      | 2,926,230         | 2,926,230         | 2,776,848         | 149,382          |
| Utilities Department            | 1,874,000         | 1,874,000         | 1,934,526         | (60,526)         |
| IS Shared Services              | -                 | -                 | 9,698             | (9,698)          |
| Graphical Information Systems   | 921,557           | 921,557           | 899,621           | 21,936           |
| <b>Total General Government</b> | <b>28,288,152</b> | <b>28,378,152</b> | <b>28,422,101</b> | <b>(43,949)</b>  |

**PUEBLO COUNTY, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                              | Budgeted Amounts            |                             | Actual<br>Budget<br>Basis   | Variance with<br>Final Budget<br>- Positive<br>(Negative) |
|--------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------------------------------|
|                                                              | Original                    | Final                       |                             |                                                           |
| Public Safety:                                               |                             |                             |                             |                                                           |
| Law Enforcement                                              | \$ 8,557,014                | \$ 8,597,014                | \$ 8,697,608                | \$ (100,594)                                              |
| Detention                                                    | 14,250,393                  | 15,810,393                  | 15,948,677                  | (138,284)                                                 |
| Dispatch Center                                              | 769,101                     | 769,101                     | 754,527                     | 14,574                                                    |
| County Coroner                                               | 650,286                     | 650,286                     | 562,487                     | 87,799                                                    |
| Correctional Services                                        | 3,583,080                   | 3,583,080                   | 2,101,984                   | 1,481,096                                                 |
| DEM/PS&O                                                     | 776,135                     | 786,135                     | 718,477                     | 67,658                                                    |
| DEM/CSEPP                                                    | 7,903,995                   | 7,903,995                   | 3,842,837                   | 4,061,158                                                 |
| Total Public Safety                                          | <u>36,490,004</u>           | <u>38,100,004</u>           | <u>32,626,597</u>           | <u>5,473,407</u>                                          |
| Health and Welfare:                                          |                             |                             |                             |                                                           |
| Community Health Assistance                                  | 2,445,677                   | 2,445,677                   | 2,091,210                   | 354,467                                                   |
| Veterans Administration                                      | 139,015                     | 139,015                     | 113,341                     | 25,674                                                    |
| Total Health and Welfare                                     | <u>2,584,692</u>            | <u>2,584,692</u>            | <u>2,204,551</u>            | <u>380,141</u>                                            |
| Culture and Recreation:                                      |                             |                             |                             |                                                           |
| Recreation                                                   | 212,408                     | 212,408                     | 169,048                     | 43,360                                                    |
| Public Works and Parks                                       | 264,162                     | 264,162                     | 206,318                     | 57,844                                                    |
| Total Culture and Recreation:                                | <u>476,570</u>              | <u>476,570</u>              | <u>375,366</u>              | <u>101,204</u>                                            |
| Conservation:                                                |                             |                             |                             |                                                           |
| CSU Extension                                                | 827,087                     | 827,087                     | 875,039                     | (47,952)                                                  |
| Total Conservation                                           | <u>827,087</u>              | <u>827,087</u>              | <u>875,039</u>              | <u>(47,952)</u>                                           |
| Economic Development Assistance:                             |                             |                             |                             |                                                           |
| Economic Development                                         | 4,768,715                   | 4,768,715                   | 4,884,077                   | (115,362)                                                 |
| Total Economic Development                                   | <u>4,768,715</u>            | <u>4,768,715</u>            | <u>4,884,077</u>            | <u>(115,362)</u>                                          |
| Intergovernmental                                            |                             |                             |                             |                                                           |
| Aid to Other Entities                                        | 965,673                     | 965,673                     | 1,027,551                   | (61,878)                                                  |
| Total Intergovernmental                                      | <u>965,673</u>              | <u>965,673</u>              | <u>1,027,551</u>            | <u>(61,878)</u>                                           |
| Debt Service:                                                |                             |                             |                             |                                                           |
| Principal                                                    | 2,039,839                   | 2,039,839                   | 2,093,998                   | (54,159)                                                  |
| Interest and Fiscal Charges                                  | 4,567,759                   | 4,567,759                   | 4,576,152                   | (8,393)                                                   |
| Total Debt Service                                           | <u>6,607,598</u>            | <u>6,607,598</u>            | <u>6,670,150</u>            | <u>(62,552)</u>                                           |
| TOTAL EXPENDITURES                                           | <u>81,008,491</u>           | <u>82,708,491</u>           | <u>77,085,432</u>           | <u>5,623,059</u>                                          |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>\$ (1,718,765)</u>       | <u>\$ (4,065,765)</u>       | <u>\$ 4,625,694</u>         | <u>\$ 8,691,459</u>                                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                             |                             |                             |                                                           |
| Transfers In                                                 | 750,000                     | 750,000                     | 753,678                     | 3,678                                                     |
| Transfers Out                                                | (2,386,245)                 | (3,911,245)                 | (3,841,326)                 | 69,919                                                    |
| TOTAL OTHER FINANCING<br>SOURCES (USES)                      | <u>(1,636,245)</u>          | <u>(3,161,245)</u>          | <u>(3,087,648)</u>          | <u>73,597</u>                                             |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <u>\$ (3,355,010)</u>       | <u>\$ (7,227,010)</u>       | <u>\$ 1,538,046</u>         | <u>\$ 8,765,056</u>                                       |
| <b>FUND BALANCE - January 1</b>                              | <u>24,723,660</u>           | <u>24,723,660</u>           | <u>16,762,728</u>           | <u>(7,960,932)</u>                                        |
| <b>FUND BALANCE - December 31</b>                            | <u><u>\$ 21,368,650</u></u> | <u><u>\$ 17,496,650</u></u> | <u><u>\$ 18,300,774</u></u> | <u><u>\$ 804,124</u></u>                                  |

**PUEBLO COUNTY, COLORADO**  
**RECONCILIATION OF THE BUDGETARY BASIS OF ACCOUNTING**  
**TO GAAP BASIS OF ACCOUNTING**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2016**

**Budgetary Basis**

Explanation of Differences Between Budgetary Revenues and Expenditures and Other Financing Sources (Uses) and GAAP Revenues and Expenditures and Other Financing Sources (Uses)

**REVENUES**

|                                                                                                                                                           |                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Actual Amounts (Budgetary Basis) Total Revenues from the Budgetary Comparison Schedule                                                                    | \$ 81,711,126        |
| Differences - Budget to GAAP                                                                                                                              |                      |
| Unrealized gain (loss) on investments are included in determining investment earnings for GAAP reporting purposes but are not budgetary resources (uses). | (210,434)            |
| GAAP Basis Revenues                                                                                                                                       | <u>\$ 81,500,692</u> |

**EXPENDITURES**

|                                                                                                                                                                                          |                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Actual Amounts (Budgetary Basis) Total Expenditures from the Budgetary Comparison Schedule                                                                                               | \$ 77,085,432               |
| Differences - Budget to GAAP                                                                                                                                                             |                             |
| Economic development funding advances forgiven when employment requirements are satisfied, are expenditures for GAAP reporting purposes but are not expenditures of budgetary resources. | 588,857                     |
| GAAP Basis Expenditures                                                                                                                                                                  | <u><u>\$ 77,674,289</u></u> |

**FUND BALANCE, December 31**

|                                       |                             |
|---------------------------------------|-----------------------------|
| Actual (non-GAAP Basis) Amount        | \$ 18,300,774               |
| Differences - Budget to GAAP          |                             |
| Notes Receivable                      | 1,423,078                   |
| Unrealized Gain (Loss) on Investments | (538,276)                   |
| GAAP Basis Fund Balance, December 31  | <u><u>\$ 19,185,576</u></u> |

**PUEBLO COUNTY, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**SOCIAL SERVICES SPECIAL REVENUE FUND**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                              | Budgeted Amounts    |                     | Actual              | Variance<br>with Final<br>Budget -<br>Positive |
|--------------------------------------------------------------|---------------------|---------------------|---------------------|------------------------------------------------|
|                                                              | Original            | Final               | Budget Basis        | (Negative)                                     |
| <b>REVENUES</b>                                              |                     |                     |                     |                                                |
| Property Taxes, Net                                          | \$ 4,522,231        | \$ 4,522,231        | \$ 4,531,355        | \$ 9,124                                       |
| Specific Ownership Taxes                                     | 384,800             | 384,800             | 408,599             | 23,799                                         |
| Intergovernmental                                            | 22,745,628          | 23,053,608          | 23,573,066          | 519,458                                        |
| Miscellaneous                                                | 80,630              | 80,630              | 11,630              | (69,000)                                       |
| <b>TOTAL REVENUES</b>                                        | <b>27,733,289</b>   | <b>28,041,269</b>   | <b>28,524,650</b>   | <b>483,381</b>                                 |
| <b>EXPENDITURES</b>                                          |                     |                     |                     |                                                |
| Administration                                               | 7,104,425           | 7,104,425           | 6,881,350           | 223,075                                        |
| Single Entry Point                                           | 1,891,391           | 1,891,391           | 1,842,033           | 49,358                                         |
| Special Child Welfare                                        | 1,073,250           | 1,073,250           | 1,101,079           | (27,829)                                       |
| General Assistance                                           | 1,000               | 1,000               | -                   | 1,000                                          |
| Temporary Assistance to Needy Families                       | 1,914,351           | 1,914,351           | 1,290,541           | 623,810                                        |
| Aid to Needy Disabled                                        | 450,000             | 450,000             | 452,469             | (2,469)                                        |
| Administration IV-D                                          | 2,267,496           | 2,267,496           | 2,247,927           | 19,569                                         |
| One Time Grants                                              | -                   | -                   | 63,498              | (63,498)                                       |
| Child Care                                                   | 534,708             | 534,708             | 720,263             | (185,555)                                      |
| Old Age Pension                                              | 84,658              | 84,658              | 126,265             | (41,607)                                       |
| LEAP Program                                                 | 365,371             | 365,371             | 327,424             | 37,947                                         |
| Core Services                                                | 1,022,917           | 1,022,917           | 1,366,463           | (343,546)                                      |
| Child Welfare                                                | 7,850,380           | 8,050,380           | 8,217,421           | (167,041)                                      |
| Temporary Assistance to Needy Families                       |                     |                     |                     |                                                |
| Administration                                               | 2,188,925           | 2,438,925           | 2,332,039           | 106,886                                        |
| Employment First                                             | 356,648             | 356,648             | 180,815             | 175,833                                        |
| Medicaid Transportation                                      | 350,000             | 550,000             | 595,520             | (45,520)                                       |
| EPSDT Contract                                               | 252,020             | 321,020             | 406,799             | (85,779)                                       |
| <b>TOTAL EXPENDITURES</b>                                    | <b>27,707,540</b>   | <b>28,426,540</b>   | <b>28,151,906</b>   | <b>274,634</b>                                 |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>25,749</b>       | <b>(385,271)</b>    | <b>372,744</b>      | <b>758,015</b>                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |                     |                                                |
| Transfers Out                                                | -                   | -                   | (268,761)           | (268,761)                                      |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                  | <b>-</b>            | <b>-</b>            | <b>(268,761)</b>    | <b>(268,761)</b>                               |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <b>25,749</b>       | <b>(385,271)</b>    | <b>103,983</b>      | <b>489,254</b>                                 |
| <b>FUND BALANCE - January 1</b>                              | <b>2,203,516</b>    | <b>2,203,516</b>    | <b>2,171,516</b>    | <b>(32,000)</b>                                |
| <b>FUND BALANCE - December 31</b>                            | <b>\$ 2,229,265</b> | <b>\$ 1,818,245</b> | <b>\$ 2,275,499</b> | <b>\$ 457,254</b>                              |

**PUEBLO COUNTY, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**ROAD AND BRIDGE FUND**  
**YEAR ENDED DECEMBER 31, 2016**

|                                    | Budgeted Amounts     |                      | Actual Budget        | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|------------------------------------|----------------------|----------------------|----------------------|--------------------------------------------------------------|
|                                    | Original             | Final                | Basis                |                                                              |
| <b>Revenues</b>                    |                      |                      |                      |                                                              |
| Taxes:                             |                      |                      |                      |                                                              |
| Property Taxes, Net                | \$ 1,510,688         | \$ 1,510,688         | \$ 1,514,068         | \$ 3,380                                                     |
| Specific Ownership Taxes           | 121,000              | 121,000              | 135,807              | 14,807                                                       |
| Sales and Use Taxes                | 4,200,000            | 4,200,000            | 4,325,943            | 125,943                                                      |
| State Highway Users Tax            | 4,653,000            | 4,653,000            | 4,962,444            | 309,444                                                      |
| Licenses and Permits               | 2,500                | 2,500                | 5,290                | 2,790                                                        |
| Intergovernmental                  | 1,909,760            | 1,909,760            | 700,343              | (1,209,417)                                                  |
| Charges for Services               | 16,000               | 16,000               | 702                  | (15,298)                                                     |
| Investment Earnings                | 5,000                | 5,000                | 73,516               | 68,516                                                       |
| Other Revenues                     | 5,000                | 5,000                | 17,332               | 12,332                                                       |
| Total Revenues                     | <u>12,422,948</u>    | <u>12,422,948</u>    | <u>11,735,445</u>    | <u>(687,503)</u>                                             |
| <b>Expenditures</b>                |                      |                      |                      |                                                              |
| Highways and Streets               | 8,729,850            | 8,729,850            | 7,315,322            | 1,414,528                                                    |
| Capital Outlay                     | 7,414,440            | 7,414,440            | 2,649,914            | 4,764,526                                                    |
| Intergovernmental                  | 1,831,700            | 1,831,700            | 1,898,071            | (66,371)                                                     |
| Total Expenditures                 | <u>17,975,990</u>    | <u>17,975,990</u>    | <u>11,863,307</u>    | <u>6,112,683</u>                                             |
| <b>Net Change in Fund Balances</b> | <u>(5,553,042)</u>   | <u>(5,553,042)</u>   | <u>(127,862)</u>     | <u>(5,425,180)</u>                                           |
| <b>Fund Balances - January 1</b>   | <u>16,801,218</u>    | <u>16,801,218</u>    | <u>16,848,027</u>    | <u>46,809</u>                                                |
| <b>Fund Balance - December 31</b>  | <u>\$ 11,248,176</u> | <u>\$ 11,248,176</u> | <u>\$ 16,720,165</u> | <u>\$(6,753,377)</u>                                         |

**PUEBLO COUNTY, COLORADO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2016**

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**BUDGETARY INFORMATION**

The County adheres to the following procedures in establishing the budgetary data reflected in the budgetary comparison schedules. These procedures are in compliance with Colorado Revised Statutes.

1. Budgets are required by law for all funds. Prior to October 15, the Budget Director submits to the Commissioners 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 County Commissioners to obtain taxpayer comments. Prior to December 15, the expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution.
2. For each adopted annual operating budget, the legal level of 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. Management may at any time transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same fund, department, office or agency. Management cannot amend the adopted budget, but must request that the County Commissioners transfer amounts between funds or adopt supplemental appropriations when the need arises.
3. All budget amounts presented in the Required Supplementary Information reflect the original budget and the final budget.
4. Generally, The County uses the modified accrual basis and current resources measurement focus as its budgetary basis of accounting.

**PUEBLO COUNTY, COLORADO**  
**SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION**  
**LIABILITY AND RELATED RATIOS**  
**PUEBLO COUNTY OFFICERS AND EMPLOYEES PENSION PLAN**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                                                   | 2016                         | 2015                         | 2014                         |
|-----------------------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|
| Service Cost                                                                      | \$ 4,742,577                 | \$ 4,629,907                 | \$ 4,526,130                 |
| Interest                                                                          | 15,292,143                   | 14,661,297                   | 14,004,548                   |
| Changes of Benefit Terms                                                          | -                            | -                            | -                            |
| Difference Between Expected and Actual Experience                                 | -                            | (115,094)                    | -                            |
| Changes of Assumptions                                                            | -                            | -                            | -                            |
| Benefit Payments, Including Refunds of Employee Contributions                     | (11,233,785)                 | (10,416,858)                 | (9,338,745)                  |
| <b>Net Change in Total Pension Liability</b>                                      | <u>8,800,935</u>             | <u>8,759,252</u>             | <u>9,191,933</u>             |
| <b>Total Pension Liability - Beginning</b>                                        | <u>204,821,739</u>           | <u>196,062,487</u>           | <u>186,870,554</u>           |
| <b>Total Pension Liability - Ending (a)</b>                                       | <u><u>\$ 213,622,674</u></u> | <u><u>\$ 204,821,739</u></u> | <u><u>\$ 196,062,487</u></u> |
| Contributions - Employer                                                          | \$ 4,063,248                 | \$ 3,829,376                 | \$ 3,740,328                 |
| Contributions - Employee                                                          | 4,063,248                    | 3,829,376                    | 3,740,328                    |
| Net Investment Income                                                             | 9,550,186                    | (1,780,361)                  | 7,550,628                    |
| Benefit Payments, Including Refunds of Employee Contributions                     | (11,233,785)                 | (10,416,858)                 | (9,338,745)                  |
| Administrative Expense                                                            | (202,669)                    | (218,622)                    | (203,244)                    |
| <b>Net Change in Plan Fiduciary Net Position</b>                                  | <u>6,240,228</u>             | <u>(4,757,089)</u>           | <u>5,489,295</u>             |
| <b>Plan Fiduciary Net Position - Beginning</b>                                    | <u>123,535,241</u>           | <u>128,292,330</u>           | <u>122,803,035</u>           |
| <b>Plan Fiduciary Net Position - Ending (b)</b>                                   | <u><u>\$ 129,775,469</u></u> | <u><u>\$ 123,535,241</u></u> | <u><u>\$ 128,292,330</u></u> |
| <b>County's Net Position Liability - Ending (a) - (b)</b>                         | <u>\$ 83,847,205</u>         | <u>\$ 81,286,498</u>         | <u>\$ 67,770,157</u>         |
| <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b> | 60.75 %                      | 60.31 %                      | 65.43 %                      |
| <b>Covered-Employee Payroll</b>                                                   | \$ 48,134,904                | \$ 45,771,420                | \$ 44,584,080                |
| <b>County's Net Pension Liability as a Percentage of Covered-Employee Payroll</b> | 174.19 %                     | 177.59 %                     | 152.01 %                     |

This schedule will show information for ten years as it becomes available.

**PUEBLO COUNTY, COLORADO**  
**SCHEDULE OF COUNTY'S CONTRIBUTIONS**  
**PUEBLO COUNTY OFFICERS AND EMPLOYEES' PENSION PLAN**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                                    | <u>2016</u>         | <u>2015</u>         | <u>2014</u>         |
|--------------------------------------------------------------------|---------------------|---------------------|---------------------|
| Actuarially Determined Contribution                                | \$ 6,879,301        | \$ 6,336,287        | \$ 7,381,676        |
| Contributions in Relation to the Actuarially Required Contribution | <u>4,063,248</u>    | <u>3,829,376</u>    | <u>3,740,328</u>    |
| Contribution Deficiency (Excess)                                   | \$ <u>2,816,053</u> | \$ <u>2,506,911</u> | \$ <u>3,641,348</u> |
| County's Covered - Employee Payroll                                | \$ 48,134,904       | \$ 45,771,420       | \$ 44,584,080       |
| Contributions as a Percentage of Covered - Employee Payroll        | 8.44 %              | 8.37 %              | 8.39 %              |

This schedule will show information for ten years as it becomes available.

**PUEBLO COUNTY, COLORADO**  
**SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**COLORADO PUBLIC EMPLOYEE'S RETIREMENT ASSOCIATION**  
**STATE DIVISION TRUST FUND**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                                                                             | <u>2016</u> | <u>2015</u> |
|-------------------------------------------------------------------------------------------------------------|-------------|-------------|
| County's Proportion of the Net Pension Liability                                                            | 0.005469 %  | 0.005646 %  |
| County's Proportionate Share of the Net Pension Liability                                                   | 575,942     | 531,092     |
| County's Covered - Employee Payroll                                                                         | 152,030     | 152,030     |
| County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered - Employee Payroll | 378.83 %    | 349.33 %    |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                  | 56.10 %     | 59.80 %     |

This schedule will show information for ten years as it becomes available.

**PUEBLO COUNTY, COLORADO  
SCHEDULE OF COUNTY'S CONTRIBUTIONS  
COLORADO PUBLIC EMPLOYEE'S RETIREMENT ASSOCIATION  
STATE DIVISION TRUST FUND  
YEAR ENDED DECEMBER 31, 2016**

|                                                                      | <u>2016</u>   | <u>2015</u>   |
|----------------------------------------------------------------------|---------------|---------------|
| Contractually Required Contribution                                  | \$ 26,347     | \$ 24,979     |
| Contributions in Relation to the Contractually Required Contribution | <u>26,347</u> | <u>24,979</u> |
| Contribution Deficiency (Excess)                                     | \$ <u>-</u>   | \$ <u>-</u>   |
| County's Covered - Employee Payroll                                  | 152,030       | 152,030       |
| Contributions as a Percentage of Covered - Employee Payroll          | 17.33 %       | 16.43 %       |

This schedule will show information for ten years as it becomes available.

**PUEBLO COUNTY, COLORADO  
SCHEDULE OF FUNDING PROGRESS  
OTHER POST-EMPLOYMENT BENEFITS PLAN  
YEAR ENDED DECEMBER 31, 2016**

| Actuarial<br>Valuation<br><u>Date</u> | Actuarial<br>Value of<br><u>Plan Assets</u> | Actuarial<br>Accrued<br><u>Liability</u> | Unfunded<br>Actuarial<br>Accrued<br><u>Liability</u> | Funded<br><u>Ratio</u> | Covered<br><u>Payroll</u> | Unfunded<br>Liability as a<br>Percentage of<br><u>Payroll</u> |
|---------------------------------------|---------------------------------------------|------------------------------------------|------------------------------------------------------|------------------------|---------------------------|---------------------------------------------------------------|
| January 1, 2014                       | \$ -                                        | \$ 8,680,004                             | \$ 8,680,004                                         | 0.00 %                 | \$ 42,000,840             | 20.67 %                                                       |
| January 1, 2015                       | -                                           | 9,295,870                                | 9,295,870                                            | 0.00 %                 | 43,386,868                | 21.43 %                                                       |
| January 1, 2016                       | -                                           | 7,717,218                                | 7,717,218                                            | 0.00 %                 | 48,134,904                | 16.03 %                                                       |

## **SUPPLEMENTAL INFORMATION**

**PUEBLO COUNTY, COLORADO  
EXPLANATION OF FUNDS  
DECEMBER 31, 2016**

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**NON-MAJOR GOVERNMENTAL FUNDS**

**Special Revenue Funds**

Special revenue funds account for taxes or other specific revenue sources that are restricted or committed for specified purposes other than debt service or capital projects.

The **Employee Retirement Fund** accounts for the mill levy dedicated to pay the County's share to the employee retirement system.

The **Board of Developmental Disability Fund** accounts for the mill levy dedicated for payment to a non-profit corporation for various programs related to helping the developmentally challenged.

The **Pueblo County Housing Fund** accounts for federal and state grants used for individual revolving loans and grants for home rehabilitation.

The **Conservation Trust Fund** accounts for the collection of revenues from the Colorado State Lottery to be expended on parks and recreation facilities for repairs and capital improvements.

The **Department of Aging Services Fund** accounts for the management of federal aging grant funds received. Services are provided by the County as well as other entities providing services and nutrition to the aged.

The **Marijuana Excise Tax Fund** accounts for the excise taxes paid on marijuana plants grown in the County.

The **Housing and Human Services Fund** accounts for the administration of federal, state and private grants. The various grants provide funding for a ten-county service area weatherization program, a housing rehabilitation and down payment assistance program, and a USDA commodities food distribution and emergency food assistance program, all to low-and-moderate income households.

The **Detention Commissary Fund** accounts for the commission earned from sales of products to jail inmates. Expenditures are for detention recreation equipment and detention security equipment.

The **Subdivision Park Site Fee Fund** accounts for revenue related to future land development.

The **Fire Hydrant Impact Fee Fund** accounts for revenue related to the installation of fire hydrants in areas identified for future land development.

**PUEBLO COUNTY, COLORADO**  
**EXPLANATION OF FUNDS**  
**DECEMBER 31, 2016**

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**NON-MAJOR GOVERNMENTAL FUNDS, continued**

**Capital Projects Funds**

The **Capital Expenditure Fund** is used to account for general capital expenditures and was established on April 5, 1984 by the Colorado General Assembly to replace the public works fund. Financing sources have been from grants, dedicated mill levies and sales taxes.

The **Capital Projects Fund** is used to account for expenditures associated with the construction of new buildings. Financing sources have been from bond issuances and grants.

**Debt Service Fund**

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest on the County's obligations.

The **Library Debt Service Fund** accounts for the accumulation of ad valorem property taxes and the payment of principal and interest on the Pueblo County General Obligation Library Refunding Bonds Series 2005 issue of \$9,645,000. The bonds were issued by the County for the benefit of the Library District in accordance with state law to finance the renovation and expansion of the Robert Hoag Rawlings Public Library, formerly known as the McClelland Library.

**Fiduciary Funds**

**Agency Funds**

Agency funds account for assets held by the County as an agent for individuals, private organizations and/or other governments.

The **Other Taxing Entities Fund** accounts for the collection and payment to other taxing entities of property taxes billed and collected by the County on their behalf.

The **Subdivision Improvements Escrow Fund** accounts for deposits collected from land developers pertaining to current land development projects.

The **District Attorney's Restitution Fund** accounts for the compensation of victims of crime by requiring defendants to make monetary restitution for damages.

The **Enterprise Zone Administrator Fund** accounts for the contributions made to the enterprise zone administrator for the purpose of obtaining State of Colorado income tax credits. The contributions are forwarded to the not-for-profit organization designated by the donor.

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## **NON-MAJOR GOVERNMENTAL FUNDS**

**PUEBLO COUNTY, COLORADO**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2016**

|                                                                           | Special Revenue     |                                     |                       |                    |                              |
|---------------------------------------------------------------------------|---------------------|-------------------------------------|-----------------------|--------------------|------------------------------|
|                                                                           | Employee Retirement | Board of Developmental Disabilities | Pueblo County Housing | Conservation Trust | Department of Aging Services |
| <b>ASSETS</b>                                                             |                     |                                     |                       |                    |                              |
| Cash and Cash Equivalents                                                 | \$ 1,046,127        | \$ 6,204                            | \$ 107,018            | \$ 266,810         | \$ 100,943                   |
| Investments                                                               | 1,302,289           | -                                   | -                     | -                  | -                            |
| Receivables, Net                                                          |                     |                                     |                       |                    |                              |
| Taxes                                                                     | 2,901,717           | 424,721                             | -                     | -                  | -                            |
| Grants                                                                    | -                   | -                                   | -                     | -                  | 345,858                      |
| Notes                                                                     | -                   | -                                   | 388,724               | -                  | -                            |
| Due from Other Governments                                                | 1,072               | -                                   | -                     | -                  | -                            |
| Other Agencies                                                            | -                   | -                                   | -                     | -                  | -                            |
| Other                                                                     | -                   | 157                                 | -                     | -                  | -                            |
| Inventories                                                               | -                   | -                                   | -                     | -                  | -                            |
| Due from Other Funds                                                      | 195,126             | -                                   | -                     | 1,329              | -                            |
| Cash and Cash Equivalents - Restricted                                    | -                   | -                                   | -                     | -                  | -                            |
| <b>TOTAL ASSETS</b>                                                       | <b>\$ 5,446,331</b> | <b>\$ 431,082</b>                   | <b>\$ 495,742</b>     | <b>\$ 268,139</b>  | <b>\$ 446,801</b>            |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                     |                                     |                       |                    |                              |
| <b>LIABILITIES</b>                                                        |                     |                                     |                       |                    |                              |
| Accounts Payable                                                          | \$ 1,351,436        | \$ 2,858                            | \$ -                  | \$ 12,329          | \$ 287,489                   |
| Due to Other Funds                                                        | 190                 | -                                   | 50,000                | 86,350             | 2,415                        |
| Other Accrued Liabilities                                                 | 512                 | -                                   | -                     | -                  | 40                           |
| Advance from Other Funds                                                  | -                   | -                                   | -                     | -                  | 40,000                       |
| <b>TOTAL LIABILITIES</b>                                                  | <b>1,352,138</b>    | <b>2,858</b>                        | <b>50,000</b>         | <b>98,679</b>      | <b>329,944</b>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                      | 2,901,717           | 424,721                             | -                     | -                  | -                            |
| <b>FUND BALANCES</b>                                                      |                     |                                     |                       |                    |                              |
| Nonspendable                                                              | -                   | -                                   | -                     | -                  | -                            |
| Restricted                                                                | -                   | -                                   | 445,742               | -                  | -                            |
| Assigned                                                                  | 1,192,476           | 3,503                               | -                     | 169,460            | 116,857                      |
| <b>TOTAL FUND BALANCES</b>                                                | <b>1,192,476</b>    | <b>3,503</b>                        | <b>445,742</b>        | <b>169,460</b>     | <b>116,857</b>               |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> | <b>\$ 5,446,331</b> | <b>\$ 431,082</b>                   | <b>\$ 495,742</b>     | <b>\$ 268,139</b>  | <b>\$ 446,801</b>            |

| Special Revenue (Continued)      |                   |                         |                                 |                                  | Capital Projects       |                     | Debt Service            |                                          |
|----------------------------------|-------------------|-------------------------|---------------------------------|----------------------------------|------------------------|---------------------|-------------------------|------------------------------------------|
| Housing and<br>Human<br>Services | Excise Tax        | Detention<br>Commissary | Subdivision<br>Park Site<br>Fee | Fire<br>Hydrant<br>Impact<br>Fee | Capital<br>Expenditure | Capital<br>Projects | Library Debt<br>Service | Total Non-major<br>Governmental<br>Funds |
| \$ 517,213                       | \$ 190,735        | \$ 480,773              | \$ 118,397                      | \$ 83,612                        | \$ 833,149             | \$ -                | \$ 108,406              | \$ 3,859,387                             |
| -                                | -                 | -                       | -                               | -                                | -                      | -                   | -                       | 1,302,289                                |
| -                                | 40,193            | -                       | -                               | -                                | 124,420                | -                   | 1,135,055               | 4,626,106                                |
| 258,873                          | -                 | -                       | -                               | -                                | -                      | -                   | -                       | 604,731                                  |
| -                                | -                 | -                       | -                               | -                                | -                      | -                   | -                       | 388,724                                  |
| -                                | -                 | -                       | -                               | -                                | -                      | -                   | -                       | 1,072                                    |
| -                                | -                 | -                       | -                               | -                                | 1,400,000              | -                   | -                       | 1,400,000                                |
| 5,534                            | -                 | -                       | -                               | -                                | 29,219                 | -                   | -                       | 34,910                                   |
| 173,415                          | -                 | -                       | -                               | -                                | -                      | -                   | -                       | 173,415                                  |
| 175,497                          | -                 | -                       | -                               | -                                | 213,472                | -                   | -                       | 585,424                                  |
| -                                | -                 | -                       | -                               | -                                | 29,753                 | 590,896             | -                       | 620,649                                  |
| <u>\$ 1,130,532</u>              | <u>\$ 230,928</u> | <u>\$ 480,773</u>       | <u>\$ 118,397</u>               | <u>\$ 83,612</u>                 | <u>\$ 2,630,013</u>    | <u>\$ 590,896</u>   | <u>\$ 1,243,461</u>     | <u>\$ 13,596,707</u>                     |
|                                  |                   |                         |                                 |                                  |                        |                     |                         |                                          |
| \$ 371,916                       | \$ 10,907         | \$ 189,227              | \$ -                            | \$ -                             | \$ 360,226             | \$ -                | \$ -                    | \$ 2,586,388                             |
| 19,931                           | -                 | -                       | -                               | -                                | -                      | -                   | -                       | 158,886                                  |
| (181)                            | -                 | -                       | -                               | -                                | -                      | -                   | -                       | 371                                      |
| 355,000                          | -                 | -                       | -                               | -                                | -                      | -                   | -                       | 395,000                                  |
| <u>746,666</u>                   | <u>10,907</u>     | <u>189,227</u>          | <u>-</u>                        | <u>-</u>                         | <u>360,226</u>         | <u>-</u>            | <u>-</u>                | <u>3,140,645</u>                         |
|                                  |                   |                         |                                 |                                  |                        |                     |                         |                                          |
| 173,415                          | -                 | -                       | -                               | -                                | -                      | -                   | 1,135,055               | 4,634,908                                |
| -                                | -                 | -                       | -                               | -                                | 1,400,000              | -                   | -                       | 1,400,000                                |
| -                                | -                 | -                       | -                               | -                                | 29,753                 | 590,896             | 108,406                 | 1,174,797                                |
| 210,451                          | 220,021           | 291,546                 | 118,397                         | 83,612                           | 840,034                | -                   | -                       | 3,246,357                                |
| <u>210,451</u>                   | <u>220,021</u>    | <u>291,546</u>          | <u>118,397</u>                  | <u>83,612</u>                    | <u>2,269,787</u>       | <u>590,896</u>      | <u>108,406</u>          | <u>5,821,154</u>                         |
|                                  |                   |                         |                                 |                                  |                        |                     |                         |                                          |
| <u>\$ 1,130,532</u>              | <u>\$ 230,928</u> | <u>\$ 480,773</u>       | <u>\$ 118,397</u>               | <u>\$ 83,612</u>                 | <u>\$ 2,630,013</u>    | <u>\$ 590,896</u>   | <u>\$ 1,243,461</u>     | <u>\$ 13,596,707</u>                     |

**PUEBLO COUNTY, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                          | Special Revenue     |                                     |                       |                    |                              |
|----------------------------------------------------------|---------------------|-------------------------------------|-----------------------|--------------------|------------------------------|
|                                                          | Employee Retirement | Board of Developmental Disabilities | Pueblo County Housing | Conservation Trust | Department of Aging Services |
| <b>REVENUES</b>                                          |                     |                                     |                       |                    |                              |
| Taxes:                                                   |                     |                                     |                       |                    |                              |
| Property Taxes, Net                                      | \$ 2,858,825        | \$ 418,445                          | \$ -                  | \$ -               | \$ -                         |
| Specific Ownership Taxes                                 | 256,429             | 37,533                              | -                     | -                  | -                            |
| Sales and Use Taxes                                      | -                   | -                                   | -                     | -                  | -                            |
| Excise Taxes                                             | -                   | -                                   | -                     | -                  | -                            |
| Intergovernmental                                        | 23                  | 3                                   | 39,704                | 410,921            | 1,924,774                    |
| Charges for Services                                     | -                   | -                                   | -                     | -                  | -                            |
| Investment Earnings                                      | -                   | -                                   | 520                   | 1,329              | 1,162                        |
| Contributions and Private Grants                         | -                   | -                                   | -                     | -                  | -                            |
| Other Revenues                                           | -                   | -                                   | 85                    | -                  | 500                          |
| <b>TOTAL REVENUES</b>                                    | <b>3,115,277</b>    | <b>455,981</b>                      | <b>40,309</b>         | <b>412,250</b>     | <b>1,926,436</b>             |
| <b>EXPENDITURES</b>                                      |                     |                                     |                       |                    |                              |
| Current:                                                 |                     |                                     |                       |                    |                              |
| General Government                                       | 2,948,187           | -                                   | -                     | -                  | -                            |
| Public Safety                                            | -                   | -                                   | -                     | -                  | -                            |
| Health and Welfare                                       | -                   | 458,627                             | -                     | -                  | 1,847,420                    |
| Intergovernmental                                        | -                   | -                                   | -                     | -                  | -                            |
| Culture and Recreation                                   | -                   | -                                   | -                     | 157,000            | -                            |
| Urban Development and Housing                            | -                   | -                                   | 17,130                | -                  | -                            |
| Economic Development                                     |                     |                                     |                       |                    |                              |
| Assistance                                               | -                   | -                                   | -                     | -                  | -                            |
| Debt Service:                                            |                     |                                     |                       |                    |                              |
| Principal Retirement                                     | -                   | -                                   | -                     | -                  | -                            |
| Interest and Fiscal Charges                              | -                   | -                                   | -                     | -                  | -                            |
| Capital Outlay                                           | -                   | -                                   | -                     | -                  | -                            |
| <b>TOTAL EXPENDITURES</b>                                | <b>2,948,187</b>    | <b>458,627</b>                      | <b>17,130</b>         | <b>157,000</b>     | <b>1,847,420</b>             |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b> | <b>167,090</b>      | <b>(2,646)</b>                      | <b>23,179</b>         | <b>255,250</b>     | <b>79,016</b>                |
| <b>OTHER FINANCING SOURCES (USES)</b>                    |                     |                                     |                       |                    |                              |
| Issuance of Capital Lease                                | -                   | -                                   | -                     | -                  | -                            |
| Transfers In                                             | -                   | -                                   | -                     | -                  | -                            |
| Transfers Out                                            | -                   | -                                   | -                     | (86,350)           | (55,000)                     |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>              | <b>-</b>            | <b>-</b>                            | <b>-</b>              | <b>(86,350)</b>    | <b>(55,000)</b>              |
| <b>NET CHANGE IN FUND BALANCES</b>                       | <b>167,090</b>      | <b>(2,646)</b>                      | <b>23,179</b>         | <b>168,900</b>     | <b>24,016</b>                |
| <b>FUND BALANCES - January 1</b>                         | <b>1,025,386</b>    | <b>6,149</b>                        | <b>422,563</b>        | <b>560</b>         | <b>92,841</b>                |
| <b>FUND BALANCES - December 31</b>                       | <b>\$ 1,192,476</b> | <b>\$ 3,503</b>                     | <b>\$ 445,742</b>     | <b>\$ 169,460</b>  | <b>\$ 116,857</b>            |

| Special Revenue (Continued)      |            |                         |                                 |                                  | Capital Projects       |                     | Debt Services           | Total Non-major<br>Governmental<br>Funds |
|----------------------------------|------------|-------------------------|---------------------------------|----------------------------------|------------------------|---------------------|-------------------------|------------------------------------------|
| Housing and<br>Human<br>Services | Excise Tax | Detention<br>Commissary | Subdivision<br>Park Site<br>Fee | Fire<br>Hydrant<br>Impact<br>Fee | Capital<br>Expenditure | Capital<br>Projects | Library Debt<br>Service |                                          |
| \$ -                             | \$ -       | \$ -                    | \$ -                            | \$ -                             | \$ 14                  | \$ -                | \$ 1,136,458            | \$ 4,413,742                             |
| -                                | -          | -                       | -                               | -                                | -                      | -                   | -                       | 293,962                                  |
| -                                | -          | -                       | -                               | -                                | 692,151                | -                   | -                       | 692,151                                  |
| -                                | 359,780    | -                       | -                               | -                                | -                      | -                   | -                       | 359,780                                  |
| 2,473,795                        | -          | -                       | -                               | -                                | -                      | -                   | 9                       | 4,849,229                                |
| 5,000                            | -          | 290,472                 | -                               | -                                | -                      | -                   | -                       | 295,472                                  |
| -                                | -          | -                       | 766                             | 570                              | 7,181                  | 2,233               | -                       | 13,761                                   |
| 211,804                          | -          | -                       | -                               | -                                | -                      | -                   | -                       | 211,804                                  |
| 28,714                           | -          | -                       | 228                             | 4,125                            | -                      | -                   | -                       | 33,652                                   |
| 2,719,313                        | 359,780    | 290,472                 | 994                             | 4,695                            | 699,346                | 2,233               | 1,136,467               | 11,163,553                               |
| 10,009                           | -          | -                       | -                               | -                                | -                      | -                   | -                       | 2,958,196                                |
| -                                | -          | 164,199                 | -                               | 14,049                           | -                      | -                   | -                       | 178,248                                  |
| 1,610,981                        | -          | -                       | -                               | -                                | -                      | -                   | -                       | 3,917,028                                |
| -                                | -          | -                       | -                               | -                                | 1,644,895              | -                   | -                       | 1,644,895                                |
| 78,433                           | -          | -                       | -                               | -                                | -                      | -                   | -                       | 235,433                                  |
| 1,788,571                        | -          | -                       | -                               | -                                | -                      | -                   | -                       | 1,805,701                                |
| -                                | 293,748    | -                       | -                               | -                                | -                      | -                   | -                       | 293,748                                  |
| -                                | -          | -                       | -                               | -                                | -                      | -                   | 970,000                 | 970,000                                  |
| -                                | -          | -                       | -                               | -                                | -                      | -                   | 165,138                 | 165,138                                  |
| 74,972                           | -          | 310,803                 | -                               | -                                | 4,040,434              | 1,001               | -                       | 4,427,210                                |
| 3,562,966                        | 293,748    | 475,002                 | -                               | 14,049                           | 5,685,329              | 1,001               | 1,135,138               | 16,595,597                               |
| (843,653)                        | 66,032     | (184,530)               | 994                             | (9,354)                          | (4,985,983)            | 1,232               | 1,329                   | (5,432,044)                              |
| -                                | -          | -                       | -                               | -                                | 623,814                | -                   | -                       | 623,814                                  |
| 830,497                          | 200,000    | -                       | -                               | -                                | 2,861,211              | -                   | -                       | 3,891,708                                |
| -                                | (46,011)   | -                       | -                               | -                                | -                      | (700,676)           | -                       | (888,037)                                |
| 830,497                          | 153,989    | -                       | -                               | -                                | 3,485,025              | (700,676)           | -                       | 3,627,485                                |
| (13,156)                         | 220,021    | (184,530)               | 994                             | (9,354)                          | (1,500,958)            | (699,444)           | 1,329                   | (1,804,559)                              |
| 223,607                          | -          | 476,076                 | 117,403                         | 92,966                           | 3,770,745              | 1,290,340           | 107,077                 | 7,625,713                                |
| \$ 210,451                       | \$ 220,021 | \$ 291,546              | \$ 118,397                      | \$ 83,612                        | \$ 2,269,787           | \$ 590,896          | \$ 108,406              | \$ 5,821,154                             |

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## **SPECIAL REVENUE FUNDS**

**PUEBLO COUNTY, COLORADO**  
**EMPLOYEE RETIREMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                      | Budgeted<br>Amounts<br>Final | Actual<br>Budget<br>Basis | Variance<br>with Final<br>Budget-<br>Positive<br>(Negative) |
|------------------------------------------------------|------------------------------|---------------------------|-------------------------------------------------------------|
| REVENUES                                             |                              |                           |                                                             |
| Taxes -                                              |                              |                           |                                                             |
| Property Taxes, Net                                  | \$ 2,846,985                 | \$ 2,858,825              | \$ 11,840                                                   |
| Specific Ownership Taxes                             | 230,000                      | 256,429                   | 26,429                                                      |
| Intergovernmental - Other                            | -                            | 23                        | 23                                                          |
|                                                      |                              |                           |                                                             |
| TOTAL REVENUES                                       | <u>3,076,985</u>             | <u>3,115,277</u>          | <u>38,292</u>                                               |
| EXPENDITURES                                         |                              |                           |                                                             |
| Personnel Services                                   | 76,568                       | 76,939                    | (371)                                                       |
| Employer Contributions                               | <u>3,053,113</u>             | <u>2,871,248</u>          | <u>181,865</u>                                              |
| TOTAL EXPENDITURES                                   | <u>3,129,681</u>             | <u>2,948,187</u>          | <u>181,494</u>                                              |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER EXPENDITURES | <u>(52,696)</u>              | <u>167,090</u>            | <u>219,786</u>                                              |
| FUND BALANCE, January 1                              | <u>773,315</u>               | <u>1,025,386</u>          | <u>252,071</u>                                              |
| FUND BALANCE, December 31                            | <u>\$ 720,619</u>            | <u>\$ 1,192,476</u>       | <u>\$ 471,857</u>                                           |

**PUEBLO COUNTY, COLORADO**  
**BOARD OF DEVELOPMENTAL DISABILITIES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                      | Budgeted<br>Amounts<br>Final | Actual<br>Budget<br>Basis | Variance<br>with Final<br>Budget-<br>Positive<br>(Negative) |
|------------------------------------------------------|------------------------------|---------------------------|-------------------------------------------------------------|
| REVENUES                                             |                              |                           |                                                             |
| Taxes -                                              |                              |                           |                                                             |
| Property Taxes, Net                                  | \$ 462,000                   | \$ 418,445                | \$ (43,555)                                                 |
| Specific Ownership Taxes                             | -                            | 37,533                    | 37,533                                                      |
| Intergovernmental - Other                            | -                            | 3                         | 3                                                           |
| TOTAL REVENUES                                       | <u>462,000</u>               | <u>455,981</u>            | <u>(6,019)</u>                                              |
| EXPENDITURES                                         |                              |                           |                                                             |
| County Board Allocations                             | <u>462,000</u>               | <u>458,627</u>            | <u>3,373</u>                                                |
| TOTAL EXPENDITURES                                   | <u>462,000</u>               | <u>458,627</u>            | <u>3,373</u>                                                |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER EXPENDITURES | -                            | (2,646)                   | (2,646)                                                     |
| FUND BALANCE, January 1                              | <u>8,523</u>                 | <u>6,149</u>              | <u>(2,374)</u>                                              |
| FUND BALANCE, December 31                            | <u>\$ 8,523</u>              | <u>\$ 3,503</u>           | <u>\$ (5,020)</u>                                           |

**PUEBLO COUNTY, COLORADO**  
**PUEBLO COUNTY HOUSING SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                                                  | Budgeted<br>Amounts<br>Final | Actual<br>Budget<br>Basis | Variance<br>with Final<br>Budget-<br>Positive<br>(Negative) |
|----------------------------------------------------------------------------------|------------------------------|---------------------------|-------------------------------------------------------------|
| REVENUES                                                                         |                              |                           |                                                             |
| Intergovernmental -                                                              |                              |                           |                                                             |
| Federal Grants                                                                   | \$ 181,405                   | \$ -                      | \$ (181,405)                                                |
| Collection of Revolving Loans                                                    | 10,000                       | 38,977                    | 28,977                                                      |
| Interest                                                                         | 1,000                        | 1,332                     | 332                                                         |
| Transfers In                                                                     | 7,595                        | -                         | (7,595)                                                     |
| TOTAL REVENUES                                                                   | <u>200,000</u>               | <u>40,309</u>             | <u>(159,691)</u>                                            |
| EXPENDITURES                                                                     |                              |                           |                                                             |
| Housing Projects                                                                 | <u>200,000</u>               | <u>24,646</u>             | <u>224,646</u>                                              |
| TOTAL EXPENDITURES                                                               | <u>200,000</u>               | <u>24,646</u>             | <u>224,646</u>                                              |
| EXCESS (DEFICIENCY) OF                                                           |                              |                           |                                                             |
| REVENUES OVER EXPENDITURES                                                       | -                            | 15,663                    | 64,955                                                      |
| FUND BALANCE, January 1                                                          | <u>-</u>                     | <u>41,355</u>             | <u>41,355</u>                                               |
| FUND BALANCE, December 31                                                        | <u>\$ -</u>                  | 57,018                    | <u>\$ 106,310</u>                                           |
| Adjustment from Budgetary Basis to Generally Accepted<br>Accounting Principles - |                              |                           |                                                             |
| Notes Receivable                                                                 |                              | <u>388,724</u>            |                                                             |
| FUND BALANCE - Generally Accepted Accounting Principles                          |                              | <u>\$ 445,742</u>         |                                                             |

**PUEBLO COUNTY, COLORADO**  
**CONSERVATION TRUST SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                                               | Budgeted<br>Amounts<br>Final | Actual<br>Budget<br>Basis | Variance<br>with Final<br>Budget-<br>Positive<br>(Negative) |
|-------------------------------------------------------------------------------|------------------------------|---------------------------|-------------------------------------------------------------|
| REVENUES                                                                      |                              |                           |                                                             |
| Colorado Lottery Allotment                                                    | \$ 360,000                   | \$ 410,921                | \$ 50,921                                                   |
| Interest                                                                      | -                            | 1,329                     | 1,329                                                       |
| TOTAL REVENUES                                                                | <u>360,000</u>               | <u>412,250</u>            | <u>52,250</u>                                               |
| EXPENDITURES AND OTHER<br>FINANCING USES                                      |                              |                           |                                                             |
| Grants to Other Entities                                                      | 307,000                      | 157,000                   | 150,000                                                     |
| Transfers to Other Funds                                                      | <u>53,000</u>                | <u>86,350</u>             | <u>(33,350)</u>                                             |
| TOTAL EXPENDITURES AND<br>OTHER FINANCING USES                                | <u>360,000</u>               | <u>243,350</u>            | <u>116,650</u>                                              |
| EXCESS (DEFICIENCY) OF REVENUES OVER<br>EXPENDITURES AND OTHER FINANCING USES | -                            | 168,900                   | 168,900                                                     |
| FUND BALANCE, January 1                                                       | <u>26,569</u>                | <u>560</u>                | <u>(26,009)</u>                                             |
| FUND BALANCE, December 31                                                     | <u>\$ 26,569</u>             | <u>\$ 169,460</u>         | <u>\$ 142,891</u>                                           |

**PUEBLO COUNTY, COLORADO**  
**DEPARTMENT OF AGING SERVICES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                                                       | Budgeted<br>Amounts<br>Final | Actual<br>Budget<br>Basis | Variance<br>with Final<br>Budget-<br>Positive<br>(Negative) |
|---------------------------------------------------------------------------------------|------------------------------|---------------------------|-------------------------------------------------------------|
| <b>REVENUES</b>                                                                       |                              |                           |                                                             |
| Intergovernmental -                                                                   |                              |                           |                                                             |
| Title III Grants -                                                                    |                              |                           |                                                             |
| Administration                                                                        | \$ 67,774                    | \$ 91,858                 | \$ 24,084                                                   |
| Part B                                                                                | 170,308                      | 194,082                   | 23,774                                                      |
| Part C-1                                                                              | 156,276                      | 161,965                   | 5,689                                                       |
| Part C-2                                                                              | 236,862                      | 243,177                   | 6,315                                                       |
| Part E                                                                                | 132,270                      | 83,927                    | (48,343)                                                    |
| Title VII Grants                                                                      | 10,772                       | 10,787                    | 15                                                          |
| State Older Coloradoans Program                                                       | 1,048,206                    | 908,333                   | (139,873)                                                   |
| City of Pueblo                                                                        | 10,000                       | 10,000                    | -                                                           |
| Federal USDA                                                                          | 90,000                       | 102,106                   | 12,106                                                      |
| Other Grants                                                                          | 167,720                      | 118,539                   | (49,181)                                                    |
| Interest                                                                              | 300                          | 1,162                     | 862                                                         |
| Charges for Services                                                                  | -                            | 500                       | 500                                                         |
| <b>TOTAL REVENUES</b>                                                                 | <b>2,090,488</b>             | <b>1,926,436</b>          | <b>(164,052)</b>                                            |
| <b>EXPENDITURES AND OTHER FINANCING USES</b>                                          |                              |                           |                                                             |
| Administration                                                                        | 119,452                      | 111,650                   | 7,802                                                       |
| Part B - Supportive Services                                                          | 424,676                      | 344,174                   | 80,502                                                      |
| Part C-1 - Congregate Meals                                                           | 156,276                      | 161,965                   | (5,689)                                                     |
| Title 111B Ombudsman                                                                  | 100                          | 1,123                     | (1,023)                                                     |
| Part C-2 - Home Delivered Meals                                                       | 236,862                      | 243,177                   | (6,315)                                                     |
| Cash in Lieu of Commodities                                                           | 90,000                       | 102,106                   | (12,106)                                                    |
| Elder Rights                                                                          | 10,772                       | 11,220                    | (448)                                                       |
| Older Coloradoans Program                                                             | 1,012,350                    | 872,005                   | 140,345                                                     |
| Transfers Out                                                                         | 40,000                       | 55,000                    | (15,000)                                                    |
| <b>TOTAL EXPENDITURES AND<br/>    OTHER FINANCING USES</b>                            | <b>2,090,488</b>             | <b>1,902,420</b>          | <b>188,068</b>                                              |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER<br/>EXPENDITURES AND OTHER FINANCING USES</b> | <b>-</b>                     | <b>24,016</b>             | <b>24,016</b>                                               |
| <b>FUND BALANCE, January 1</b>                                                        | <b>73,015</b>                | <b>92,841</b>             | <b>19,826</b>                                               |
| <b>FUND BALANCE, December 31</b>                                                      | <b>\$ 73,015</b>             | <b>\$ 116,857</b>         | <b>\$ 43,842</b>                                            |

**PUEBLO COUNTY, COLORADO**  
**HOUSING AND HUMAN SERVICES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                                                          | Budgeted<br>Amounts<br>Final | Actual<br>Budget<br>Basis | Variance<br>with Final<br>Budget-<br>Positive<br>(Negative) |
|------------------------------------------------------------------------------------------|------------------------------|---------------------------|-------------------------------------------------------------|
| <b>REVENUES AND OTHER FINANCING SOURCES</b>                                              |                              |                           |                                                             |
| Intergovernmental -                                                                      |                              |                           |                                                             |
| Low Income Energy Assistance Program                                                     | \$ 372,874                   | \$ 160,852                | \$ (212,022)                                                |
| Weatherization Assistance for Low-Income Persons                                         | 1,053,024                    | 836,501                   | (216,523)                                                   |
| Commodity Administration                                                                 | 124,052                      | 235,700                   | 111,648                                                     |
| Community Service Block Grants                                                           | 268,544                      | 316,662                   | 48,118                                                      |
| Community Development Block Grant ERESP                                                  | 45,000                       | 45,000                    | -                                                           |
| Commodity Supplemental Food Program                                                      | 1,150,000                    | 839,981                   | (310,019)                                                   |
| Emergency Shelter Grants Program                                                         | 32,000                       | 27,866                    | (4,134)                                                     |
| Housing Partnership Investment Program                                                   | 11,500                       | 11,233                    | (267)                                                       |
| State of Colorado Energy Grants                                                          | 25,000                       | -                         | (25,000)                                                    |
| City of Pueblo Grant Review Partners                                                     | 5,000                        | 5,000                     | -                                                           |
| Contributions and Private Grants                                                         |                              |                           |                                                             |
| Public Service - Weatherization                                                          | 291,210                      | 191,344                   | (99,866)                                                    |
| Client Participation                                                                     | 75,000                       | 20,460                    | (54,540)                                                    |
| Other-                                                                                   |                              |                           |                                                             |
| Miscellaneous                                                                            | 13,950                       | 28,714                    | 14,764                                                      |
| Transfers In                                                                             | 856,145                      | 830,497                   | (25,648)                                                    |
| <b>TOTAL REVENUES AND<br/>    OTHER FINANCING SOURCES</b>                                | <b>4,323,299</b>             | <b>3,549,810</b>          | <b>(773,489)</b>                                            |
| <b>EXPENDITURES</b>                                                                      |                              |                           |                                                             |
| McHarg Park Community Center                                                             | 90,231                       | 70,255                    | 19,976                                                      |
| E\$P Weatherization                                                                      | 1,692,108                    | 1,193,141                 | 498,967                                                     |
| Client Weatherization Program                                                            | 75,000                       | 31,794                    | 43,206                                                      |
| Crisis Intervention Program                                                              | 50,000                       | 16,556                    | 33,444                                                      |
| Administration                                                                           | 11,500                       | 11,233                    | 267                                                         |
| Community Service Block Grant Programs                                                   | 273,544                      | 341,900                   | (68,356)                                                    |
| Emergency Shelter Program                                                                | 32,000                       | 27,886                    | 4,114                                                       |
| Commodity Supplemental Food Program                                                      | 114,052                      | 195,442                   | (81,390)                                                    |
| Temporary Emergency Food Assistance                                                      | 10,000                       | 10,009                    | (9)                                                         |
| Commodity Distribution                                                                   | 1,150,000                    | 839,981                   | 310,019                                                     |
| Health Disparities Program                                                               | 13,950                       | 15,949                    | (1,999)                                                     |
| Housing Services                                                                         | 120,914                      | 118,777                   | 2,137                                                       |
| Emergency Repairs Seniors Program                                                        | 90,000                       | 90,000                    | -                                                           |
| City of Pueblo Grant Review Partners                                                     | 600,000                      | 600,043                   | (43)                                                        |
| <b>TOTAL EXPENDITURES</b>                                                                | <b>4,323,299</b>             | <b>3,562,966</b>          | <b>760,333</b>                                              |
| <b>EXCESS (DEFICIENCY) OF REVENUES AND<br/>OTHER FINANCING SOURCES OVER EXPENDITURES</b> | <b>-</b>                     | <b>(13,156)</b>           | <b>(13,156)</b>                                             |
| <b>FUND BALANCE, January 1</b>                                                           | <b>290,221</b>               | <b>223,607</b>            | <b>(66,614)</b>                                             |
| <b>FUND BALANCE, December 31</b>                                                         | <b>\$ 290,221</b>            | <b>\$ 210,451</b>         | <b>\$ (79,770)</b>                                          |

**PUEBLO COUNTY, COLORADO**  
**MARIJUANA EXCISE TAX SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUTGET AND ACTUAL**

**YEAR ENDED DECEMBER 31, 2016**

|                                                                                  | Budgeted<br>Amounts<br>Final | Actual<br>Budget<br>Basis | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|----------------------------------------------------------------------------------|------------------------------|---------------------------|------------------------------------------------------------|
| REVENUES AND OTHER FINANCING SOURCES                                             |                              |                           |                                                            |
| Excise Tax                                                                       | \$ 700,000                   | \$ 359,780                | \$ (340,220)                                               |
| Transfers In                                                                     | 1,175,000                    | 200,000                   | (975,000)                                                  |
| TOTAL REVENUES AND OTHER FINANCING<br>SOURCES                                    | 1,875,000                    | 559,780                   | (1,315,220)                                                |
| EXPENDITURES                                                                     |                              |                           |                                                            |
| Excise Tax Projects                                                              | (1,875,000)                  | (293,748)                 | 1,581,252                                                  |
| Transfers Out                                                                    | -                            | (46,011)                  | (46,011)                                                   |
| TOTAL EXPENDITURES                                                               | (1,875,000)                  | (339,759)                 | 1,535,241                                                  |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER<br>FINANCING SOURCES OVER EXPENDITURES | -                            | 220,021                   | 220,021                                                    |
| Fund Balances, Beginning of Year                                                 | -                            | -                         | -                                                          |
| Fund Balance, End of Year                                                        | \$ -                         | \$ 220,021                | \$ 220,021                                                 |

**PUEBLO COUNTY, COLORADO**  
**DETENTION COMMISSARY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                      | Budgeted<br>Amounts<br>Final | Actual<br>Budget<br>Basis | Variance<br>with Final<br>Budget-<br>Positive<br>(Negative) |
|------------------------------------------------------|------------------------------|---------------------------|-------------------------------------------------------------|
| REVENUES                                             |                              |                           |                                                             |
| Contract Commissions                                 | \$ 200,000                   | \$ 290,472                | \$ 90,472                                                   |
| TOTAL REVENUES                                       | <u>200,000</u>               | <u>290,472</u>            | <u>90,472</u>                                               |
| EXPENDITURES                                         |                              |                           |                                                             |
| Inmate Services                                      | 185,900                      | 164,199                   | 21,701                                                      |
| Capital Outlay                                       | <u>330,000</u>               | <u>310,803</u>            | <u>19,197</u>                                               |
| TOTAL EXPENDITURES                                   | <u>515,900</u>               | <u>475,002</u>            | <u>40,898</u>                                               |
| EXCESS (DEFICIENCY) OF REVENUES OVER<br>EXPENDITURES | (315,900)                    | (184,530)                 | 131,370                                                     |
| FUND BALANCE, January 1                              | <u>375,618</u>               | <u>476,076</u>            | <u>100,458</u>                                              |
| FUND BALANCE, December 31                            | <u>\$ 59,718</u>             | <u>\$ 291,546</u>         | <u>\$ 231,828</u>                                           |

**PUEBLO COUNTY, COLORADO**  
**SUBDIVISION PARK SITE FEE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                      | Budgeted<br>Amounts<br>Final | Actual<br>Budget<br>Basis | Variance<br>with Final<br>Budget-<br>Positive<br>(Negative) |
|------------------------------------------------------|------------------------------|---------------------------|-------------------------------------------------------------|
| REVENUES                                             |                              |                           |                                                             |
| Investment Earnings                                  | \$ 200                       | \$ 766                    | \$ 566                                                      |
| Miscellaneous                                        | 1,000                        | 228                       | (772)                                                       |
| TOTAL REVENUES                                       | <u>1,200</u>                 | <u>994</u>                | <u>(206)</u>                                                |
| EXPENDITURES                                         |                              |                           |                                                             |
| Recreation                                           | 10,000                       | -                         | 10,000                                                      |
| TOTAL EXPENDITURES                                   | <u>10,000</u>                | <u>-</u>                  | <u>10,000</u>                                               |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER EXPENDITURES | (8,800)                      | 994                       | 9,794                                                       |
| FUND BALANCE, January 1                              | <u>108,323</u>               | <u>117,403</u>            | <u>9,080</u>                                                |
| FUND BALANCE, December 31                            | <u>\$ 99,523</u>             | <u>\$ 118,397</u>         | <u>\$ 18,874</u>                                            |

**PUEBLO COUNTY, COLORADO**  
**FIRE HYDRANT IMPACT FEE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                      | Budgeted<br>Amounts<br>Final | Actual<br>Budget<br>Basis | Variance<br>with Final<br>Budget-<br>Positive<br>(Negative) |
|------------------------------------------------------|------------------------------|---------------------------|-------------------------------------------------------------|
| REVENUES                                             |                              |                           |                                                             |
| Investment Earnings                                  | \$ 200                       | \$ 570                    | \$ 370                                                      |
| Miscellaneous                                        | 6,000                        | 4,125                     | (1,875)                                                     |
| TOTAL REVENUES                                       | <u>6,200</u>                 | <u>4,695</u>              | <u>(1,505)</u>                                              |
| EXPENDITURES                                         |                              |                           |                                                             |
| Public Safety                                        | <u>10,000</u>                | <u>14,049</u>             | <u>(4,049)</u>                                              |
| TOTAL EXPENDITURES                                   | <u>10,000</u>                | <u>14,049</u>             | <u>(4,049)</u>                                              |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER EXPENDITURES | (3,800)                      | (9,354)                   | (5,554)                                                     |
| FUND BALANCE, January 1                              | <u>84,131</u>                | <u>92,966</u>             | <u>8,835</u>                                                |
| FUND BALANCE, December 31                            | <u><u>\$ 80,331</u></u>      | <u><u>\$ 83,612</u></u>   | <u><u>\$ 3,281</u></u>                                      |

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## **CAPITAL PROJECTS FUNDS**

**PUEBLO COUNTY, COLORADO**  
**CAPITAL EXPENDITURES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                                                          | Budgeted<br>Amounts<br>Final | Actual<br>Budget<br>Basis | Variance<br>with Final<br>Budget-<br>Positive<br>(Negative) |
|------------------------------------------------------------------------------------------|------------------------------|---------------------------|-------------------------------------------------------------|
| <b>REVENUES AND OTHER FINANCING SOURCES</b>                                              |                              |                           |                                                             |
| Taxes -                                                                                  |                              |                           |                                                             |
| Property Taxes, Net                                                                      | \$ -                         | \$ 14                     | \$ 14                                                       |
| Sales and Use Taxes                                                                      | 612,000                      | 692,151                   | 80,151                                                      |
| Intergovernmental - State Grants                                                         | 750,000                      | -                         | (750,000)                                                   |
| Investment Earnings                                                                      | -                            | 7,181                     | 7,181                                                       |
| Issuance of Capital Lease & Miscellaneous                                                | 345,000                      | 623,814                   | 278,814                                                     |
| Transfers In                                                                             | 2,624,100                    | 2,861,211                 | 237,111                                                     |
| <b>TOTAL REVENUES AND OTHER<br/>FINANCING SOURCES</b>                                    | <b>4,331,100</b>             | <b>4,184,371</b>          | <b>(146,729)</b>                                            |
| <b>EXPENDITURES</b>                                                                      |                              |                           |                                                             |
| Intergovernmental                                                                        | 1,645,000                    | 1,644,895                 | 105                                                         |
| Capital Outlay -                                                                         |                              |                           |                                                             |
| Property Acquisition                                                                     | 1,900,000                    | 1,909,330                 | (9,330)                                                     |
| Improvements, Buildings                                                                  | 2,964,100                    | 1,797,696                 | 1,166,404                                                   |
| Improvements, Other than Buildings                                                       | 481,000                      | 333,408                   | 147,592                                                     |
| <b>TOTAL EXPENDITURES</b>                                                                | <b>6,990,100</b>             | <b>5,685,329</b>          | <b>1,304,771</b>                                            |
| <b>EXCESS (DEFICIENCY) OF REVENUES AND<br/>OTHER FINANCING SOURCES OVER EXPENDITURES</b> | <b>(2,659,000)</b>           | <b>(1,500,958)</b>        | <b>1,158,042</b>                                            |
| <b>FUND BALANCE, January 1</b>                                                           | <b>3,857,077</b>             | <b>3,770,745</b>          | <b>(86,332)</b>                                             |
| <b>FUND BALANCE, December 31</b>                                                         | <b>\$ 1,198,077</b>          | <b>\$ 2,269,787</b>       | <b>\$ 1,071,710</b>                                         |

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

|                                                                               | Budgeted<br>Amounts<br>Final | Actual<br>Budget<br>Basis | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------------------------------------------|------------------------------|---------------------------|----------------------------------------------------------|
| REVENUES                                                                      |                              |                           |                                                          |
| Investment Earnings                                                           | \$ -                         | \$ 2,233                  | \$ 2,233                                                 |
| TOTAL REVENUES                                                                | <u>-</u>                     | <u>2,233</u>              | <u>2,233</u>                                             |
| EXPENDITURES AND OTHER FINANCING USES                                         |                              |                           |                                                          |
| Capital Outlay                                                                | 500,000                      | 1,001                     | 498,999                                                  |
| Transfers Out                                                                 | <u>700,000</u>               | <u>700,676</u>            | <u>(676)</u>                                             |
| TOTAL EXPENDITURES AND OTHER<br>FINANCING USES                                | <u>1,200,000</u>             | <u>701,677</u>            | <u>498,323</u>                                           |
| EXCESS (DEFICIENCY) OF REVENUES OVER<br>EXPENDITURES AND OTHER FINANCING USES | (1,200,000)                  | (699,444)                 | 500,556                                                  |
| FUND BALANCE, January 1                                                       | <u>1,284,513</u>             | <u>1,290,340</u>          | <u>22,855,619</u>                                        |
| FUND BALANCE, December 31                                                     | <u>\$ 84,513</u>             | <u>\$ 590,896</u>         | <u>\$ 23,356,175</u>                                     |

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**DEBT SERVICE FUND**

**PUEBLO COUNTY, COLORADO**  
**LIBRARY DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                      | Budgeted<br>Amounts<br>Final | Actual<br>Budget<br>Basis | Variance<br>with Final<br>Budget-<br>Positive<br>(Negative) |
|------------------------------------------------------|------------------------------|---------------------------|-------------------------------------------------------------|
| REVENUES                                             |                              |                           |                                                             |
| Property Taxes, Net                                  | \$ 1,132,805                 | \$ 1,136,458              | \$ 3,653                                                    |
| Intergovernmental -                                  |                              |                           |                                                             |
| Other                                                | -                            | 9                         | 9                                                           |
| TOTAL REVENUES                                       | <u>1,132,805</u>             | <u>1,136,467</u>          | <u>3,662</u>                                                |
| EXPENDITURES                                         |                              |                           |                                                             |
| Current Fiscal Charges                               | 500                          | 150                       | 350                                                         |
| Debt service -                                       |                              |                           |                                                             |
| Principal                                            | 970,000                      | 970,000                   | -                                                           |
| Interest and Fiscal Charges                          | 164,988                      | 164,988                   | -                                                           |
| TOTAL EXPENDITURES                                   | <u>1,135,488</u>             | <u>1,135,138</u>          | <u>350</u>                                                  |
| EXCESS (DEFICIENCY) OF REVENUES OVER<br>EXPENDITURES | (2,683)                      | 1,329                     | 4,012                                                       |
| FUND BALANCE, January 1                              | <u>106,062</u>               | <u>107,077</u>            | <u>1,015</u>                                                |
| FUND BALANCE, December 31                            | <u>\$ 103,379</u>            | <u>\$ 108,406</u>         | <u>\$ 5,027</u>                                             |

**ENTERPRISE FUND**

**PUEBLO COUNTY, COLORADO**  
**DESERT HAWK GOLF COURSE AT PUEBLO WEST**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                                                  | Budgeted<br>Amounts<br>Final | Actual<br>Budget<br>Basis | Variance<br>with Final<br>Budget-<br>Positive<br>(Negative) |
|----------------------------------------------------------------------------------|------------------------------|---------------------------|-------------------------------------------------------------|
| REVENUES AND OTHER<br>FINANCING SOURCES                                          |                              |                           |                                                             |
| Green Fees                                                                       | \$ 512,500                   | \$ 541,518                | \$ 29,018                                                   |
| Cart Fees                                                                        | 203,000                      | 215,357                   | 12,357                                                      |
| Restaurant Rent                                                                  | 12,000                       | 12,000                    | -                                                           |
| Driving Range and Other                                                          | 34,500                       | 36,007                    | 1,507                                                       |
| Investment Earnings                                                              | 600                          | 3,379                     | 2,779                                                       |
| Contributions                                                                    | 12,000                       | 1,220                     | (10,780)                                                    |
| Transfers In                                                                     | 357,870                      | 352,740                   | (5,130)                                                     |
| Advance from Other Government                                                    | 307,870                      | 308,863                   | 993                                                         |
| TOTAL REVENUES AND OTHER<br>FINANCING SOURCES                                    | <u>1,440,340</u>             | <u>1,471,084</u>          | <u>30,744</u>                                               |
| EXPENDITURES                                                                     |                              |                           |                                                             |
| Personnel Services                                                               | 27,990                       | 29,228                    | (1,238)                                                     |
| Contract Fees                                                                    | 345,600                      | 319,987                   | 25,613                                                      |
| Supplies                                                                         | 166,600                      | 133,061                   | 33,539                                                      |
| Professional Services                                                            | 11,100                       | 13,001                    | (1,901)                                                     |
| Insurance                                                                        | 9,400                        | 12,389                    | (2,989)                                                     |
| Repairs and Maintenance                                                          | 17,300                       | 53,100                    | (35,800)                                                    |
| Utilities and Communications                                                     | 191,600                      | 196,346                   | (4,746)                                                     |
| Equipment Rent                                                                   | 53,000                       | 3,319                     | 49,681                                                      |
| Capital Outlay                                                                   | -                            | 1,001                     | (1,001)                                                     |
| Sales Tax                                                                        | -                            | 113                       | (113)                                                       |
| Debt Service:                                                                    |                              |                           |                                                             |
| Interest and Fiscal Charges                                                      | 206,840                      | 205,855                   | 985                                                         |
| Principal                                                                        | 410,000                      | 410,000                   | -                                                           |
| TOTAL EXPENDITURES                                                               | <u>1,439,430</u>             | <u>1,377,400</u>          | <u>62,030</u>                                               |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER<br>FINANCING SOURCES OVER EXPENDITURES | <u>\$ 910</u>                | <u>\$ 93,684</u>          | <u>\$ 92,774</u>                                            |

## **AGENCY FUNDS**

**PUEBLO COUNTY, COLORADO**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**DECEMBER 31, 2016**

|                                           | Other<br>Taxing<br>Entities | Subdivision<br>Improvement<br>s Escrow | District<br>Attorney's<br>Restitution<br>Fund | Enterprise<br>Zone<br>Administrator<br>Fund | Total               |
|-------------------------------------------|-----------------------------|----------------------------------------|-----------------------------------------------|---------------------------------------------|---------------------|
| <b>ASSETS</b>                             |                             |                                        |                                               |                                             |                     |
| Cash and Cash Equivalents                 | \$ 4,473,885                | \$ 423,983                             | \$ 7,851                                      | \$ -                                        | \$ 4,905,719        |
| <b>TOTAL ASSETS</b>                       | <u>\$ 4,473,885</u>         | <u>\$ 423,983</u>                      | <u>\$ 7,851</u>                               | <u>\$ -</u>                                 | <u>\$ 4,905,719</u> |
| <b>LIABILITIES</b>                        |                             |                                        |                                               |                                             |                     |
| Due to Other Governments                  | \$ 4,473,885                | \$ -                                   | \$ -                                          | \$ -                                        | \$ 4,473,885        |
| Due to Developers                         | -                           | 423,983                                | -                                             | -                                           | 423,983             |
| Due to Victims and Insurance<br>Companies | -                           | -                                      | 7,851                                         | -                                           | 7,851               |
| <b>TOTAL LIABILITIES</b>                  | <u>\$ 4,473,885</u>         | <u>\$ 423,983</u>                      | <u>\$ 7,851</u>                               | <u>\$ -</u>                                 | <u>\$ 4,905,719</u> |

**PUEBLO COUNTY, COLORADO**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                    | Balance<br>January 1,<br>2016 | Additions      | Deductions     | Balance<br>December<br>31, 2016 |
|----------------------------------------------------|-------------------------------|----------------|----------------|---------------------------------|
| <u><b>OTHER TAXING ENTITIES</b></u>                |                               |                |                |                                 |
| <b>ASSETS</b>                                      |                               |                |                |                                 |
| Cash and Cash Equivalents                          | \$ 4,104,447                  | \$ 184,852,164 | \$ 184,482,726 | \$ 4,473,885                    |
| <b>LIABILITIES</b>                                 |                               |                |                |                                 |
| Due to Other Taxing Districts                      | \$ 4,104,447                  | \$ 184,852,164 | \$ 184,482,726 | \$ 4,473,885                    |
| <u><b>SUBDIVISION IMPROVEMENTS ESCROW</b></u>      |                               |                |                |                                 |
| <b>ASSETS</b>                                      |                               |                |                |                                 |
| Cash and Cash Equivalents                          | \$ 403,469                    | \$ 20,514      | \$ -           | \$ 423,983                      |
| <b>LIABILITIES</b>                                 |                               |                |                |                                 |
| Due to Developers                                  | \$ 403,469                    | \$ 20,514      | \$ -           | \$ 423,983                      |
| <u><b>DISTRICT ATTORNEY'S RESTITUTION FUND</b></u> |                               |                |                |                                 |
| <b>ASSETS</b>                                      |                               |                |                |                                 |
| Cash and Cash Equivalents                          | \$ 13,623                     | \$ 12,871      | \$ 18,643      | \$ 7,851                        |
| <b>LIABILITIES</b>                                 |                               |                |                |                                 |
| Due to Victims and Insurance Companies             | \$ 13,623                     | \$ 12,871      | \$ 18,643      | \$ 7,851                        |
| <u><b>ENTERPRISE ZONE ADMINISTRATOR FUND</b></u>   |                               |                |                |                                 |
| <b>ASSETS</b>                                      |                               |                |                |                                 |
| Cash and Cash Equivalents                          | \$ 7,550                      | \$ -           | \$ 7,550       | \$ -                            |
| Other Accounts Receivable                          | 6,230                         | -              | 6,230          | -                               |
| TOTAL ASSETS                                       | \$ 13,780                     | \$ -           | \$ 13,780      | \$ -                            |
| <b>LIABILITIES</b>                                 |                               |                |                |                                 |
| Advances from Others                               | \$ 13,780                     | \$ -           | \$ 13,780      | \$ -                            |
| <u><b>TOTAL - ALL AGENCY FUNDS</b></u>             |                               |                |                |                                 |
| <b>ASSETS</b>                                      |                               |                |                |                                 |
| Cash and Cash Equivalents                          | \$4,529,089                   | \$184,885,549  | \$184,508,919  | \$ 4,905,719                    |
| Other Accounts Receivable                          | 6,230                         | -              | 6,230          | -                               |
| TOTAL ASSETS                                       | \$4,535,319                   | \$184,885,549  | \$184,515,149  | \$ 4,905,719                    |
| <b>LIABILITIES</b>                                 |                               |                |                |                                 |
| Due to Other Taxing Entities                       | \$4,104,447                   | \$184,852,164  | \$184,482,726  | \$ 4,473,885                    |
| Due to Developers                                  | 403,469                       | 20,514         | -              | 423,983                         |
| Due to Victims and Insurance Companies             | 13,623                        | 12,871         | 18,643         | 7,851                           |
| Due to Other Entities                              | 13,780                        | -              | 13,780         | -                               |
| TOTAL LIABILITIES                                  | \$4,535,319                   | \$184,885,549  | \$184,515,149  | \$ 4,905,719                    |

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## **DISCRETELY PRESENTED COMPONENT UNITS**

**PUEBLO COUNTY, COLORADO**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**COMBINING STATEMENT OF NET POSITION**  
**DECEMBER 31, 2016**

|                                               | Pueblo County<br>Emergency<br>Telephone<br>Service<br>Authority | Runyon Sports<br>Complex<br>Commission Inc | Total             |
|-----------------------------------------------|-----------------------------------------------------------------|--------------------------------------------|-------------------|
| <b>ASSETS</b>                                 |                                                                 |                                            |                   |
| Cash and Cash Equivalents                     | \$ 173,597                                                      | \$ 241,079                                 | \$ 414,676        |
| Investments                                   | -                                                               | 66,348                                     | 66,348            |
| Receivables, Net                              | 69,199                                                          | -                                          | 69,199            |
| Machinery and Equipment                       | 305,670                                                         | -                                          | 305,670           |
| Less Accumulated Depreciation                 | (206,541)                                                       | -                                          | (206,541)         |
| Total Capital Assets, Net                     | 99,129                                                          | -                                          | 99,129            |
| <b>TOTAL ASSETS</b>                           | <b>341,925</b>                                                  | <b>307,427</b>                             | <b>649,352</b>    |
| <b>LIABILITIES</b>                            |                                                                 |                                            |                   |
| Accounts Payable and Accrued Expenses         | 27,515                                                          | 4,166                                      | 31,681            |
| <b>TOTAL LIABILITIES</b>                      | <b>27,515</b>                                                   | <b>4,166</b>                               | <b>31,681</b>     |
| <b>NET POSITION</b>                           |                                                                 |                                            |                   |
| Net Investment in Capital Assets              | 99,129                                                          | -                                          | 99,129            |
| Unrestricted                                  | 215,281                                                         | 303,261                                    | 518,542           |
| <b>TOTAL NET POSITION</b>                     | <b>\$ 314,410</b>                                               | <b>\$ 303,261</b>                          | <b>\$ 617,671</b> |
| <b>TOTAL LIABILITIES AND<br/>NET POSITION</b> | <b>\$ 341,925</b>                                               | <b>\$ 307,427</b>                          | <b>\$ 649,352</b> |

**PUEBLO COUNTY, COLORADO**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2016**

|                                  | Pueblo County<br>Emergency<br>Telephone Service<br>Authority | Runyon Sports<br>Complex<br>Commission Inc | Total             |
|----------------------------------|--------------------------------------------------------------|--------------------------------------------|-------------------|
| <b>OPERATING REVENUES</b>        |                                                              |                                            |                   |
| Charges for Services             | \$ 463,282                                                   | \$ 585,590                                 | \$ 1,048,872      |
| <b>TOTAL OPERATING REVENUES</b>  | <b>463,282</b>                                               | <b>585,590</b>                             | <b>1,048,872</b>  |
| <b>OPERATING EXPENSES</b>        |                                                              |                                            |                   |
| Public Safety:                   |                                                              |                                            |                   |
| Administration                   | 534,379                                                      | -                                          | 534,379           |
| Depreciation                     | 40,917                                                       | -                                          | 40,917            |
| Culture and Recreation:          |                                                              |                                            |                   |
| Baseball park operations:        |                                                              |                                            |                   |
| Personnel Services               | -                                                            | 341,465                                    | 341,465           |
| Supplies                         | -                                                            | 233,809                                    | 233,809           |
| Professional Services            | -                                                            | 15,485                                     | 15,485            |
| Insurance                        | -                                                            | 24,945                                     | 24,945            |
| Administrative Costs             | -                                                            | 49,398                                     | 49,398            |
| <b>TOTAL OPERATING EXPENSES</b>  | <b>575,296</b>                                               | <b>665,102</b>                             | <b>1,240,398</b>  |
| <b>OPERATING INCOME (LOSS)</b>   | <b>(112,014)</b>                                             | <b>(79,512)</b>                            | <b>(191,526)</b>  |
| <b>NONOPERATING REVENUES</b>     |                                                              |                                            |                   |
| <b>(EXPENSES)</b>                |                                                              |                                            |                   |
| Interest Income                  | 1,201                                                        | 505                                        | 1,706             |
| Operating Grants & Contributions | -                                                            | 122,155                                    | 122,155           |
| Other Revenues                   | 8,836                                                        | -                                          | 8,836             |
| Other Expenses                   | -                                                            | (22,029)                                   | (22,029)          |
| <b>TOTAL NONOPERATING</b>        |                                                              |                                            |                   |
| <b>REVENUES (EXPENSES)</b>       | <b>10,037</b>                                                | <b>100,631</b>                             | <b>110,668</b>    |
| <b>CHANGE IN NET POSITION</b>    | <b>(101,977)</b>                                             | <b>21,119</b>                              | <b>(80,858)</b>   |
| <b>NET POSITION, January 1</b>   | <b>416,387</b>                                               | <b>282,142</b>                             | <b>698,529</b>    |
| <b>NET POSITION, December 31</b> | <b>\$ 314,410</b>                                            | <b>\$ 303,261</b>                          | <b>\$ 617,671</b> |

**PUEBLO COUNTY, COLORADO**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2016**

|                                                                                                           | Pueblo County<br>Emergency<br>Phone Service<br>Authority | Runyon<br>Sports<br>Complex | Total               |
|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                               |                                                          |                             |                     |
| Receipts from Customers                                                                                   | \$ 461,318                                               | \$ 585,590                  | \$ 1,046,908        |
| Payments to Suppliers for Goods and Services                                                              | (299,369)                                                | (321,599)                   | (620,968)           |
| Payments to Employees                                                                                     | (234,855)                                                | (341,465)                   | (576,320)           |
| Net Cash Provided (Used) by Operating Activities                                                          | <u>(72,906)</u>                                          | <u>(77,474)</u>             | <u>(150,380)</u>    |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>                                                |                                                          |                             |                     |
| Operating Grants & Contributions                                                                          | -                                                        | 122,155                     | 122,155             |
| Net Cash Provided by Noncapital<br>Financing Activities                                                   | <u>-</u>                                                 | <u>122,155</u>              | <u>122,155</u>      |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING<br/>ACTIVITIES</b>                                       |                                                          |                             |                     |
| Purchases of Capital Assets                                                                               | <u>(9,148)</u>                                           | <u>(71,372)</u>             | <u>(80,520)</u>     |
| Net Cash Provided (Used) by Capital and Related Financing Activities                                      | <u>(9,148)</u>                                           | <u>(71,372)</u>             | <u>(80,520)</u>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                               |                                                          |                             |                     |
| Purchase of Investments                                                                                   | -                                                        | (10,201)                    | (10,201)            |
| Interest Received                                                                                         | <u>1,201</u>                                             | <u>505</u>                  | <u>1,706</u>        |
| Net Cash Provided (Used) by Investing Activities                                                          | <u>1,201</u>                                             | <u>(9,696)</u>              | <u>(8,495)</u>      |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS                                                      | (80,853)                                                 | (36,387)                    | (117,240)           |
| CASH AND CASH EQUIVALENTS<br>AT BEGINNING OF YEAR                                                         | <u>254,450</u>                                           | <u>228,124</u>              | <u>482,574</u>      |
| CASH AND CASH EQUIVALENTS AT END OF YEAR                                                                  | <u>\$ 173,597</u>                                        | <u>\$ 191,737</u>           | <u>\$ 365,334</u>   |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by<br/>Operating Activities:</b> |                                                          |                             |                     |
| Operating Income (Loss)                                                                                   | \$ (112,014)                                             | \$ (79,512)                 | \$ (191,526)        |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided<br>(Used) by Operating Activities:  |                                                          |                             |                     |
| Depreciation Expense                                                                                      | 40,917                                                   | -                           | 40,917              |
| Change in Assets and Liabilities -                                                                        |                                                          |                             |                     |
| Accounts Receivable                                                                                       | (1,964)                                                  | -                           | (1,964)             |
| Accounts Payable and Accrued Expenses                                                                     | 155                                                      | 2,037                       | 2,192               |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES                                                          | <u>\$ (72,906)</u>                                       | <u>\$ (77,475)</u>          | <u>\$ (150,381)</u> |

## **OTHER SCHEDULES**

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

|                                                                           |                                |
|---------------------------------------------------------------------------|--------------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b>                                       | City or County:                |
|                                                                           | YEAR ENDING :<br>December 2016 |
| This Information From The Records Of (example - City of _ or County of _) | Prepared By:<br>Phone:         |

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

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES****III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

| ITEM                                                     | AMOUNT     | ITEM                                              | AMOUNT     |
|----------------------------------------------------------|------------|---------------------------------------------------|------------|
| <b>A. Receipts from local sources:</b>                   |            | <b>A. Local highway disbursements:</b>            |            |
| 1. Local highway-user taxes                              |            | 1. Capital outlay (from page 2)                   | 4,917,128  |
| a. Motor Fuel (from Item I.A.5.)                         |            | 2. Maintenance:                                   | 5,428,875  |
| b. Motor Vehicle (from Item I.B.5.)                      |            | 3. Road and street services:                      |            |
| c. Total (a.+b.)                                         |            | a. Traffic control operations                     | 141,118    |
| 2. General fund appropriations                           |            | b. Snow and ice removal                           | 241,754    |
| 3. Other local imposts (from page 2)                     | 5,981,810  | c. Other                                          | 120,859    |
| 4. Miscellaneous local receipts (from page 2)            | 388,763    | d. Total (a. through c.)                          | 503,731    |
| 5. Transfers from toll facilities                        |            | 4. General administration & miscellaneous         | 1,013,570  |
| 6. Proceeds of sale of bonds and notes:                  |            | 5. Highway law enforcement and safety             | 297,916    |
| a. Bonds - Original Issues                               |            | 6. Total (1 through 5)                            | 12,161,220 |
| b. Bonds - Refunding Issues                              |            | <b>B. Debt service on local obligations:</b>      |            |
| c. Notes                                                 |            | 1. Bonds:                                         |            |
| d. Total (a. + b. + c.)                                  | 0          | a. Interest                                       |            |
| 7. Total (1 through 6)                                   | 6,370,573  | b. Redemption                                     |            |
| <b>B. Private Contributions</b>                          |            | c. Total (a. + b.)                                | 0          |
| <b>C. Receipts from State government (from page 2)</b>   | 5,237,875  | 2. Notes:                                         |            |
| <b>D. Receipts from Federal Government (from page 2)</b> | 424,910    | a. Interest                                       |            |
| <b>E. Total receipts (A.7 + B + C + D)</b>               | 12,033,358 | b. Redemption                                     |            |
|                                                          |            | c. Total (a. + b.)                                | 0          |
|                                                          |            | 3. Total (1.c + 2.c)                              | 0          |
|                                                          |            | <b>C. Payments to State for highways</b>          |            |
|                                                          |            | <b>D. Payments to toll facilities</b>             |            |
|                                                          |            | <b>E. Total disbursements (A.6 + B.3 + C + D)</b> | 12,161,220 |

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

|                              | Opening Debt | Amount Issued | Redemptions | Closing Debt |
|------------------------------|--------------|---------------|-------------|--------------|
| <b>A. Bonds (Total)</b>      |              |               |             | 0            |
| 1. Bonds (Refunding Portion) |              |               |             |              |
| <b>B. Notes (Total)</b>      |              |               |             | 0            |

**V. LOCAL ROAD AND STREET FUND BALANCE**

|  | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
|  | 16,848,027           | 12,033,358        | 12,161,220             | 16,720,165        | 0                 |

Notes and Comments:

|                                                                 |                                         |                                                             |                           |
|-----------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|---------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b>                             |                                         | STATE:<br>Colorado<br>YEAR ENDING (mm/yy):<br>December 2016 |                           |
| <b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>       |                                         |                                                             |                           |
| <b>ITEM</b>                                                     | <b>AMOUNT</b>                           | <b>ITEM</b>                                                 | <b>AMOUNT</b>             |
| <b>A.3. Other local imposts:</b>                                |                                         | <b>A.4. Miscellaneous local receipts:</b>                   |                           |
| a. Property Taxes and Assessments                               | 1,511,638                               | a. Interest on investments                                  | 73,516                    |
| b. Other local imposts:                                         |                                         | b. Traffic Fines & Penalties                                |                           |
| 1. Sales Taxes                                                  | 4,325,943                               | c. Parking Garage Fees                                      |                           |
| 2. Infrastructure & Impact Fees                                 | 702                                     | d. Parking Meter Fees                                       |                           |
| 3. Liens                                                        | 2,430                                   | e. Sale of Surplus Property                                 |                           |
| 4. Licenses                                                     | 5,290                                   | f. Charges for Services                                     | 17,331                    |
| 5. Specific Ownership &/or Other                                | 135,807                                 | g. Other Misc. Receipts                                     |                           |
| 6. Total (1. through 5.)                                        | 4,470,172                               | h. Other                                                    | 297,916                   |
| c. Total (a. + b.)                                              | 5,981,810                               | i. Total (a. through h.)                                    | 388,763                   |
|                                                                 | (Carry forward to page 1)               |                                                             | (Carry forward to page 1) |
|                                                                 |                                         |                                                             |                           |
| <b>ITEM</b>                                                     | <b>AMOUNT</b>                           | <b>ITEM</b>                                                 | <b>AMOUNT</b>             |
| <b>C. Receipts from State Government</b>                        |                                         | <b>D. Receipts from Federal Government</b>                  |                           |
| 1. Highway-user taxes                                           | 4,962,444                               | 1. FHWA (from Item I.D.5.)                                  |                           |
| 2. State general funds                                          |                                         | 2. Other Federal agencies:                                  |                           |
| 3. Other State funds:                                           |                                         | a. Forest Service                                           | 13,546                    |
| a. State bond proceeds                                          |                                         | b. FEMA                                                     | 334,412                   |
| b. Project Match                                                |                                         | c. HUD                                                      |                           |
| c. Motor Vehicle Registrations                                  | 275,421                                 | d. Federal Transit Admin                                    |                           |
| d. Other (Specify) - DOLA Grant                                 |                                         | e. U.S. Corps of Engineers                                  |                           |
| e. Other (Specify) PILT                                         | 10                                      | f. Other Federal                                            | 76,952                    |
| f. Total (a. through e.)                                        | 275,431                                 | g. Total (a. through f.)                                    | 424,910                   |
| 4. Total (1. + 2. + 3.f)                                        | 5,237,875                               | 3. Total (1. + 2.g)                                         |                           |
|                                                                 |                                         |                                                             | (Carry forward to page 1) |
|                                                                 |                                         |                                                             |                           |
| <b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b> |                                         |                                                             |                           |
|                                                                 | ON NATIONAL<br>HIGHWAY<br>SYSTEM<br>(a) | OFF NATIONAL<br>HIGHWAY<br>SYSTEM<br>(b)                    | TOTAL<br>(c)              |
| <b>A.1. Capital outlay:</b>                                     |                                         |                                                             |                           |
| a. Right-Of-Way Costs                                           |                                         | 2,146                                                       | 2,146                     |
| b. Engineering Costs                                            |                                         | 514,471                                                     | 514,471                   |
| c. Construction:                                                |                                         |                                                             |                           |
| (1). New Facilities                                             |                                         | 1,493,777                                                   | 1,493,777                 |
| (2). Capacity Improvements                                      |                                         | 1,867,270                                                   | 1,867,270                 |
| (3). System Preservation                                        |                                         | 1,039,464                                                   | 1,039,464                 |
| (4). System Enhancement & Operation                             |                                         |                                                             | 0                         |
| (5). Total Construction (1) + (2) + (3) + (4)                   | 0                                       | 4,400,511                                                   | 4,400,511                 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)             | 0                                       | 4,917,128                                                   | 4,917,128                 |
|                                                                 |                                         |                                                             | (Carry forward to page 1) |
|                                                                 |                                         |                                                             |                           |
| <b>Notes and Comments:</b>                                      |                                         |                                                             |                           |
|                                                                 |                                         |                                                             |                           |

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## **STATISTICAL SECTION**

**PUEBLO COUNTY, COLORADO  
STATISTICAL SECTION  
DECEMBER 31, 2016**

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**COMMENT RELATIVE TO STATISTICAL SECTION**

This part of the Pueblo County'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 government's overall financial health.

Statistical tables differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These reflect social and economic data, financial trends, and the fiscal capacity of the government. The tables are un-audited due to the nature of the information contained therein.

**PUEBLO COUNTY, COLORADO**  
**STATISTICAL SECTION**  
**DECEMBER 31, 2016**

**Contents**

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**Financial Trends**

*These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.*

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*These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.*

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*These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.*

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*These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.*

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*These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.*

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**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

**PUEBLO COUNTY, COLORADO**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

|                                             | <u>2007</u>          | <u>2008</u>          | <u>2009</u>          |
|---------------------------------------------|----------------------|----------------------|----------------------|
| <b>Governmental Activities</b>              |                      |                      |                      |
| Net Investment in Capital Assets            | \$132,494,708        | \$143,787,351        | \$156,687,721        |
| Restricted                                  | 3,780,362            | 9,608,772            | 3,384,675            |
| Unrestricted                                | 7,109,686            | (5,760,548)          | (10,308,282)         |
| Total Governmental Activities Net Position  | <u>143,384,756</u>   | <u>147,635,575</u>   | <u>149,764,114</u>   |
| <b>Business-Type Activities</b>             |                      |                      |                      |
| Net Investment in Capital Assets            | (705,617)            | (604,175)            | (253,412)            |
| Restricted                                  | 625,751              | 626,541              | -                    |
| Unrestricted                                | (4,380,803)          | (5,068,346)          | (5,347,425)          |
| Total Business-Type Activities Net Position | <u>(4,460,669)</u>   | <u>(5,045,980)</u>   | <u>(5,600,837)</u>   |
| <b>Primary Government</b>                   |                      |                      |                      |
| Net Investment in Capital Assets            | 131,789,091          | 143,183,176          | 156,434,309          |
| Restricted                                  | 3,780,362            | 10,235,313           | 3,384,675            |
| Unrestricted                                | 3,354,634            | (10,828,894)         | (15,655,707)         |
| Total Primary Government Net Position       | <u>\$138,924,087</u> | <u>\$142,589,595</u> | <u>\$144,163,277</u> |

| 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$157,610,527        | \$162,146,287        | \$158,573,781        | \$168,371,127        | \$170,479,412        | \$164,623,352        | \$161,420,436        |
| 3,086,170            | 6,152,043            | 46,463,097           | 4,355,457            | 5,044,256            | 6,208,963            | 15,376,985           |
| (3,630,998)          | (18,219,489)         | (61,203,203)         | (19,064,624)         | (62,035,060)         | (78,169,432)         | (90,288,198)         |
| <u>157,065,699</u>   | <u>150,078,841</u>   | <u>143,833,675</u>   | <u>153,661,960</u>   | <u>113,488,608</u>   | <u>92,662,883</u>    | <u>86,509,223</u>    |
| (36,777)             | 155,022              | 358,781              | 543,135              | 730,337              | 941,485              | 1,256,212            |
| -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| <u>(6,141,148)</u>   | <u>(6,853,166)</u>   | <u>(3,646,238)</u>   | <u>(4,106,120)</u>   | <u>(4,472,981)</u>   | <u>(4,745,781)</u>   | <u>(5,051,673)</u>   |
| <u>(6,177,925)</u>   | <u>(6,698,144)</u>   | <u>(3,287,457)</u>   | <u>(3,562,985)</u>   | <u>(3,742,644)</u>   | <u>(3,804,296)</u>   | <u>(3,795,461)</u>   |
| 157,573,750          | 162,301,309          | 158,932,562          | 168,914,262          | 171,209,749          | 165,564,837          | 162,676,648          |
| 3,086,170            | 6,152,043            | 46,463,097           | 4,355,457            | 5,044,256            | 6,208,963            | 15,376,985           |
| (9,772,146)          | (25,072,655)         | (64,849,441)         | (23,170,744)         | (21,757,562)         | (82,915,213)         | (95,339,871)         |
| <u>\$150,887,774</u> | <u>\$143,380,697</u> | <u>\$140,546,218</u> | <u>\$150,098,975</u> | <u>\$154,496,443</u> | <u>\$ 88,858,587</u> | <u>\$ 82,713,762</u> |

**PUEBLO COUNTY, COLORADO**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

| <b>Expenses</b>                                       | <b>2007</b>            | <b>2008</b>            | <b>2009</b>            | <b>2010</b>            |
|-------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Governmental Activities:</b>                       |                        |                        |                        |                        |
| General Government                                    | \$ 25,333,614          | \$ 28,126,020          | \$ 28,866,745          | \$ 28,205,255          |
| Public Safety                                         | 27,648,325             | 30,385,922             | 31,324,338             | 28,006,175             |
| Road and Bridge                                       | 12,008,616             | 12,081,644             | 12,263,344             | 12,983,768             |
| Health, Welfare and Sanitation                        | 24,810,205             | 33,569,431             | 29,634,129             | 29,416,770             |
| Culture and Recreation                                | 1,837,992              | 2,273,878              | 2,072,045              | 1,687,257              |
| Conservation                                          | 650,785                | 634,340                | 756,747                | 773,448                |
| Urban Redevelopment and Housing                       | 2,948,402              | 2,747,877              | 3,366,798              | 3,061,414              |
| Economic Development and Assistance                   | 333,798                | 321,472                | 377,695                | 1,228,123              |
| Interest on Long-Term Debt                            | 682,092                | 683,416                | 587,585                | 1,111,000              |
| <b>Total Governmental Activities Expenses</b>         | <b>96,253,829</b>      | <b>110,824,000</b>     | <b>109,249,426</b>     | <b>106,473,210</b>     |
| <b>Business-Type Activities:</b>                      |                        |                        |                        |                        |
| Desert Hawk Golf Course                               | 1,307,871              | 1,413,530              | 1,446,301              | 1,447,152              |
| <b>Total Primary Government Expenses</b>              | <b>\$ 97,561,700</b>   | <b>\$ 112,237,530</b>  | <b>\$ 110,695,727</b>  | <b>\$ 107,920,362</b>  |
| <b>Program Revenues</b>                               |                        |                        |                        |                        |
| <b>Governmental Activities:</b>                       |                        |                        |                        |                        |
| <b>Charges for Services</b>                           |                        |                        |                        |                        |
| General Government                                    | \$ 4,537,147           | \$ 4,876,877           | \$ 4,902,303           | \$ 7,342,098           |
| Public Safety                                         | 2,017,938              | 2,170,117              | 2,137,698              | 2,125,481              |
| Road and Bridge                                       | 910,032                | 658,452                | 739,437                | 271,379                |
| Health, Welfare and Sanitation                        | 400,744                | 544,875                | 503,904                | 334,913                |
| Culture and Recreation                                | 69,738                 | 97,076                 | 82,094                 | 82,711                 |
| Conservation                                          | 104,399                | 80,065                 | 123,964                | 143,310                |
| Urban Redevelopment and Housing                       | 251,768                | 233,059                | 392,479                | 493,497                |
| Operating Grants and Contributions                    | 30,401,480             | 29,356,059             | 36,253,779             | 34,721,737             |
| Capital Grants and Contributions                      | 13,859,486             | 17,695,337             | 7,938,900              | 2,749,486              |
| <b>Total Governmental Activities Program Revenues</b> | <b>52,552,732</b>      | <b>55,711,917</b>      | <b>53,074,558</b>      | <b>48,264,612</b>      |
| <b>Business-Type Activities:</b>                      |                        |                        |                        |                        |
| <b>Charges for Services:</b>                          |                        |                        |                        |                        |
| Desert Hawk Golf Course                               | 717,443                | 765,894                | 800,910                | 822,717                |
| Operating Grants and Contributions                    | 32,094                 | 16,210                 | 2,584                  | 877                    |
| Capital Grants and Contributions                      | -                      | 12,853                 | 42,688                 | 6,470                  |
| <b>Total Business-Type Activities</b>                 | <b>749,537</b>         | <b>794,957</b>         | <b>846,182</b>         | <b>830,064</b>         |
| <b>Total Primary Government Program Revenues</b>      | <b>\$ 53,302,269</b>   | <b>\$ 56,506,874</b>   | <b>\$ 53,920,740</b>   | <b>\$ 49,094,676</b>   |
| <b>Net (Expense)/Revenue</b>                          |                        |                        |                        |                        |
| Governmental Activities                               | \$ (43,701,097)        | \$ (55,112,083)        | \$ (56,174,868)        | \$ (58,208,598)        |
| Business-Type Activities                              | (558,334)              | (618,573)              | (600,119)              | (617,088)              |
| <b>Total Primary Government Net Expense</b>           | <b>\$ (44,259,431)</b> | <b>\$ (55,730,656)</b> | <b>\$ (56,774,987)</b> | <b>\$ (58,825,686)</b> |

| 2011          | 2012          | 2013          | 2014          | 2015          | 2016          |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 31,381,568 | \$ 28,109,379 | \$ 28,324,590 | \$ 28,304,667 | \$ 34,792,349 | \$ 34,994,055 |
| 29,359,229    | 30,600,018    | 29,433,895    | 31,400,549    | 38,548,293    | 37,167,291    |
| 14,171,522    | 14,467,477    | 15,804,649    | 14,554,339    | 14,857,669    | 14,236,375    |
| 30,503,159    | 29,516,271    | 30,489,071    | 32,148,244    | 37,266,477    | 36,869,176    |
| 1,747,827     | 1,548,146     | 1,226,721     | 1,460,406     | 1,866,629     | 2,100,385     |
| 698,566       | 728,653       | 639,794       | 761,856       | 908,255       | 840,745       |
| 3,502,509     | 3,179,606     | 2,466,132     | 1,919,984     | 2,614,315     | 2,085,928     |
| 1,480,530     | 2,625,429     | 3,121,755     | 4,213,913     | 5,299,572     | 5,908,510     |
| 2,693,937     | 5,090,440     | 5,043,974     | 4,941,935     | 4,808,570     | 4,689,590     |
| 115,538,847   | 115,865,419   | 116,550,581   | 119,705,893   | 140,962,129   | 138,892,055   |

|                       |                       |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 1,353,414             | 1,321,806             | 1,312,106             | 1,241,419             | 1,183,711             | 1,153,385             |
| <u>\$ 116,892,261</u> | <u>\$ 117,187,225</u> | <u>\$ 117,862,687</u> | <u>\$ 120,947,312</u> | <u>\$ 142,145,840</u> | <u>\$ 140,045,440</u> |

|              |              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 5,238,974 | \$ 4,970,112 | \$ 5,040,323 | \$ 5,971,175 | \$ 6,055,272 | \$ 6,806,618 |
| 2,452,536    | 3,045,312    | 2,853,812    | 2,457,780    | 2,663,837    | 8,322,770    |
| 284,628      | 5,276,297    | 5,307,291    | 5,296,600    | 278,797      | 298,744      |
| 285,756      | 293,962      | 292,567      | 293,282      | 266,708      | 223,563      |
| 86,389       | 93,051       | 83,152       | 89,595       | 331,538      | 126,484      |
| 95,227       | 135,728      | 101,389      | 114,069      | 131,051      | 121,577      |
| 188,575      | 129,641      | 24,289       | 65,630       | 102,813      | 56,345       |
| 35,567,903   | 32,679,217   | 34,124,260   | 35,464,251   | 36,878,931   | 39,655,895   |
| 2,207,862    | 3,253,938    | 13,869,248   | 6,768,158    | 2,624,848    | 2,641,810    |
| 46,407,850   | 49,877,258   | 61,696,331   | 56,520,540   | 49,333,795   | 58,253,806   |

|         |         |         |         |         |         |
|---------|---------|---------|---------|---------|---------|
| 782,491 | 799,969 | 714,904 | 752,297 | 798,663 | 804,882 |
| -       | -       | -       | -       | -       | -       |
| -       | 22,397  | 12,087  | -       | 13,420  | 1,220   |
| 782,491 | 822,366 | 726,991 | 752,297 | 812,083 | 806,102 |

|                      |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>\$ 47,190,341</u> | <u>\$ 50,699,624</u> | <u>\$ 62,423,322</u> | <u>\$ 57,272,837</u> | <u>\$ 50,145,878</u> | <u>\$ 59,059,908</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|

|                  |                  |                  |                  |                  |                  |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ (69,130,997)  | \$ (65,959,946)  | \$ (54,854,250)  | \$ (63,185,353)  | \$ (80,857,348)  | \$ (80,638,249)  |
| <u>(570,923)</u> | <u>(499,440)</u> | <u>(585,115)</u> | <u>(489,122)</u> | <u>(371,628)</u> | <u>(347,283)</u> |

|                        |                        |                        |                        |                        |                        |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <u>\$ (69,701,920)</u> | <u>\$ (66,459,386)</u> | <u>\$ (55,439,365)</u> | <u>\$ (63,674,475)</u> | <u>\$ (81,228,976)</u> | <u>\$ (80,985,532)</u> |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|

**PUEBLO COUNTY, COLORADO**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

|                                | 2007                 | 2008                 | 2009                 | 2010                 |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Revenues</b>        |                      |                      |                      |                      |
| Governmental Activities:       |                      |                      |                      |                      |
| Property Taxes                 | \$ 34,693,901        | \$ 38,379,259        | \$ 38,503,465        | \$ 41,988,462        |
| Sales and Miscellaneous Taxes  | 16,236,549           | 15,818,534           | 15,377,132           | 17,589,236           |
| Excise Taxes                   | -                    | -                    | -                    | -                    |
| Specific Ownership Taxes       | 4,117,058            | 4,205,114            | 4,038,074            | 3,625,786            |
| Investment Earnings            | 1,994,338            | 980,491              | 170,931              | 271,898              |
| Miscellaneous                  | 22,223               | 12,766               | 139,347              | 424,967              |
| Transfers                      | (20,000)             | (33,262)             | (45,262)             | (40,000)             |
| Total Governmental Activities  | <u>\$ 57,044,069</u> | <u>\$ 59,362,902</u> | <u>\$ 58,183,687</u> | <u>\$ 63,860,349</u> |
| Business-Type Activities:      |                      |                      |                      |                      |
| Investment Earnings            | \$ 32,087            | \$ -                 | \$ -                 | \$ -                 |
| Transfers                      | 20,000               | 33,262               | 45,262               | 40,000               |
| Total Business-Type Activities | <u>52,087</u>        | <u>33,262</u>        | <u>45,262</u>        | <u>40,000</u>        |
| Total Primary Government       | <u>\$ 57,096,156</u> | <u>\$ 59,396,164</u> | <u>\$ 58,228,949</u> | <u>\$ 63,900,349</u> |
| <b>Change in Net Position</b>  |                      |                      |                      |                      |
| Governmental Activities        | \$ 13,342,972        | \$ 4,250,819         | \$ 2,008,819         | \$ 5,651,751         |
| Business-Type Activities       | (506,247)            | (585,311)            | (554,857)            | (577,088)            |
| Total Primary Government       | <u>\$ 12,836,725</u> | <u>\$ 3,665,508</u>  | <u>\$ 1,453,962</u>  | <u>\$ 5,074,663</u>  |

| 2011                  | 2012                  | 2013                 | 2014                 | 2015                   | 2016                  |
|-----------------------|-----------------------|----------------------|----------------------|------------------------|-----------------------|
| \$ 42,894,699         | \$ 43,321,344         | \$ 45,381,465        | \$ 46,080,419        | \$ 47,622,988          | \$ 49,094,499         |
| 15,043,437            | 15,686,740            | 15,762,702           | 17,396,190           | 18,835,848             | 20,227,334            |
| -                     | -                     | -                    | -                    | -                      | 359,780               |
| 3,601,583             | 3,643,827             | 3,803,075            | 3,980,542            | 4,220,057              | 4,401,519             |
| 319,990               | 499,134               | (18,717)             | 524,074              | 329,384                | 210,312               |
| 334,432               | 794,123               | 62,772               | 90,017               | 103,195                | 543,885               |
| (50,000)              | (3,909,027)           | (308,762)            | (308,762)            | (308,863)              | (352,740)             |
| <u>\$ 62,144,141</u>  | <u>\$ 60,036,141</u>  | <u>\$ 64,682,535</u> | <u>\$ 67,762,480</u> | <u>\$ 70,802,609</u>   | <u>\$ 74,484,589</u>  |
| \$ 704                | \$ 1,100              | \$ 824               | \$ 701               | \$ 1,114               | \$ 3,379              |
| 50,000                | 3,909,027             | 308,762              | 308,762              | 308,863                | 352,740               |
| <u>50,704</u>         | <u>3,910,127</u>      | <u>309,586</u>       | <u>309,463</u>       | <u>309,977</u>         | <u>356,119</u>        |
| <u>\$ 62,194,845</u>  | <u>\$ 63,946,268</u>  | <u>\$ 64,992,121</u> | <u>\$ 68,071,943</u> | <u>\$ 71,112,586</u>   | <u>\$ 74,840,708</u>  |
| \$ (6,986,856)        | \$ (5,952,020)        | \$ 9,828,285         | \$ 4,577,127         | \$ (20,825,725)        | \$ (6,153,660)        |
| (520,219)             | 3,410,687             | (275,529)            | (179,659)            | (61,652)               | 8,836                 |
| <u>\$ (7,507,075)</u> | <u>\$ (2,541,333)</u> | <u>\$ 9,552,756</u>  | <u>\$ 4,397,468</u>  | <u>\$ (20,887,377)</u> | <u>\$ (6,144,824)</u> |

**PUEBLO COUNTY, COLORADO**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*

|                                    | Fiscal Year          |                      |                      |                      |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                    | 2007                 | 2008                 | 2009                 | 2010                 |
| General Fund                       |                      |                      |                      |                      |
| Reserved                           | \$ 2,413,816         | \$ 3,005,471         | \$ 3,249,306         | \$ 7,280,747         |
| Unreserved                         | 13,585,315           | 4,853,862            | 25,334,134           | 26,852,607           |
| Total General Fund                 | <u>\$ 15,999,131</u> | <u>\$ 7,859,333</u>  | <u>\$ 28,583,440</u> | <u>\$ 34,133,354</u> |
| All Other Governmental Funds       |                      |                      |                      |                      |
| Reserved                           | \$ 9,825,948         | \$ 11,883,690        | \$ 7,218,252         | \$ 6,950,464         |
| Unreserved, Reported in:           |                      |                      |                      |                      |
| Special Revenue Funds              | 5,054,811            | 4,863,803            | 5,067,321            | 7,222,212            |
| Capital Projects Funds             | -                    | -                    | (744,953)            | 322                  |
| Total All Other Governmental Funds | <u>\$ 14,880,759</u> | <u>\$ 16,747,493</u> | <u>\$ 11,540,620</u> | <u>\$ 14,172,998</u> |
| General Fund                       |                      |                      |                      |                      |
| Nonspendable                       |                      |                      |                      |                      |
| Restricted                         |                      |                      |                      |                      |
| Committed                          |                      |                      |                      |                      |
| Assigned                           |                      |                      |                      |                      |
| Unassigned                         |                      |                      |                      |                      |
| Total General Fund                 |                      |                      |                      |                      |
| All Other Governmental Funds       |                      |                      |                      |                      |
| Nonspendable                       |                      |                      |                      |                      |
| Restricted                         |                      |                      |                      |                      |
| Committed                          |                      |                      |                      |                      |
| Assigned                           |                      |                      |                      |                      |
| Total All Other Governmental Funds |                      |                      |                      |                      |

Notes:

- (1) Prior years have not been restated to reflect changes in application of accounting principles as necessary information to restate prior years was not available.
- (2) In 2011, the County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned compared to reserved and unreserved.

| Fiscal Year          |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 |
|                      |                      |                      |                      |                      |                      |
|                      |                      |                      |                      |                      |                      |
| \$ 7,889,767         | \$ 4,392,093         | \$ 4,203,645         | \$ 3,241,874         | \$ 2,882,942         | \$ 2,226,614         |
| 3,092,999            | 2,400,000            | 2,400,000            | 2,653,785            | 2,651,936            | 2,816,741            |
|                      |                      | 5,143,371            |                      | -                    | 2,392,843            |
| 5,179,986            | 2,326,045            | 4,475,932            | 4,445,390            | 3,739,648            | 4,868,549            |
| 11,959,308           | 15,250,351           |                      | 8,095,448            | 9,172,295            | 6,880,827            |
| <u>\$ 28,122,060</u> | <u>\$ 24,368,489</u> | <u>\$ 16,222,948</u> | <u>\$ 18,436,497</u> | <u>\$ 18,446,821</u> | <u>\$ 19,185,574</u> |
|                      |                      |                      |                      |                      |                      |
| \$ 2,461,740         | \$ 2,456,710         | \$ 2,238,119         | \$ 2,397,370         | \$ 2,002,204         | \$ 2,121,232         |
| 3,059,044            | 44,063,097           | 12,863,677           | 3,950,781            | 3,557,027            | 12,560,243           |
| 2,838,163            | 140,300              | 8,804,672            | 12,617,331           | 11,311,931           | -                    |
| 3,796,967            | 9,959,982            | 6,873,561            | 8,103,044            | 9,774,094            | 10,135,343           |
| <u>\$ 12,155,914</u> | <u>\$ 56,620,089</u> | <u>\$ 30,780,029</u> | <u>\$ 27,068,526</u> | <u>\$ 26,645,256</u> | <u>\$ 24,816,818</u> |

**PUEBLO COUNTY, COLORADO**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*

|                                                          | Fiscal Year         |                       |                      |                     |
|----------------------------------------------------------|---------------------|-----------------------|----------------------|---------------------|
|                                                          | 2007                | 2008                  | 2009                 | 2010                |
| <b>Revenues</b>                                          |                     |                       |                      |                     |
| Taxes:                                                   |                     |                       |                      |                     |
| Property Taxes, Net                                      | \$ 34,693,901       | \$ 38,379,266         | \$ 38,503,465        | \$ 41,988,462       |
| Specific Ownership Taxes                                 | 4,117,058           | 4,205,114             | 4,038,074            | 3,625,786           |
| Excise Taxes                                             | -                   | -                     | -                    | -                   |
| Sales and Use Taxes                                      | 16,236,549          | 15,818,534            | 15,377,132           | 17,589,236          |
| Fees and Fines                                           | 33,406              | 36,967                | 36,847               | 24,756              |
| Licenses and Permits                                     | 136,343             | 172,312               | 182,545              | 170,765             |
| Intergovernmental                                        | 37,343,640          | 42,799,885            | 39,343,083           | 31,903,068          |
| State Highway Users Tax                                  | 3,944,552           | 3,754,591             | 4,258,482            | 4,504,950           |
| Charges for Services                                     | 8,926,190           | 7,342,115             | 7,573,454            | 6,689,953           |
| Investment Earnings                                      | 2,029,895           | 1,002,144             | 175,961              | 271,898             |
| Contributions and Private Grants                         | 536,556             | 621,837               | 587,586              | 663,503             |
| Other Revenues                                           | 490,816             | 500,810               | 744,892              | 3,350,140           |
| Total Revenues                                           | <u>108,488,906</u>  | <u>114,633,575</u>    | <u>110,821,521</u>   | <u>110,782,517</u>  |
| <b>Expenditures</b>                                      |                     |                       |                      |                     |
| General Government                                       | 25,276,861          | 26,635,609            | 27,612,550           | 26,317,193          |
| Public Safety                                            | 24,548,467          | 23,582,999            | 26,531,567           | 23,623,411          |
| Highways and Streets                                     | 6,178,943           | 7,702,294             | 7,665,246            | 6,782,217           |
| Health and Human Services                                | 24,165,732          | 32,098,771            | 27,007,626           | 26,476,356          |
| Culture and Recreation                                   | 1,064,231           | 1,235,612             | 725,993              | 689,501             |
| Urban Development and Housing                            | 2,528,092           | 2,349,052             | 3,004,412            | 3,996,932           |
| Conservation                                             | 631,810             | 612,594               | 621,776              | 647,661             |
| Economic Development Assistance                          | 128,465             | 104,270               | 120,282              | 968,065             |
| Intergovernmental                                        | 2,841,381           | 3,099,330             | 4,828,137            | 3,367,813           |
| Debt Service:                                            |                     |                       |                      |                     |
| Principal                                                | 1,611,861           | 1,728,041             | 1,564,538            | 2,702,766           |
| Interest and Other Charges                               | 655,767             | 959,702               | 1,848,574            | 2,175,909           |
| Debt Issuance and Insurance Costs                        | -                   | -                     | -                    | -                   |
| Capital Outlay                                           | 19,027,887          | 32,180,103            | 20,047,288           | 4,812,401           |
| Total Expenditures                                       | <u>108,659,497</u>  | <u>132,288,377</u>    | <u>121,577,989</u>   | <u>102,560,225</u>  |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | <u>(170,591)</u>    | <u>(17,654,802)</u>   | <u>(10,756,468)</u>  | <u>8,222,292</u>    |
| <b>Other Financing Sources (Uses)</b>                    |                     |                       |                      |                     |
| Issuance from Capital Lease                              | 1,272,400           | -                     | -                    | -                   |
| Proceeds from Certificates of Participation              | -                   | 11,415,000            | 26,600,000           | -                   |
| Premium from COPs Issued                                 | -                   | -                     | -                    | -                   |
| Discount from COPs Issued                                | -                   | -                     | (400,756)            | -                   |
| Transfers In                                             | 3,932,370           | 13,231,367            | 6,420,417            | 2,571,222           |
| Transfers Out                                            | (3,952,370)         | (13,264,629)          | (6,465,678)          | (2,611,222)         |
| Total Other Financing Sources (Uses)                     | <u>1,252,400</u>    | <u>11,381,738</u>     | <u>26,153,983</u>    | <u>(40,000)</u>     |
| Net Changes in Fund Balances                             | <u>\$ 1,081,809</u> | <u>\$ (6,273,064)</u> | <u>\$ 15,397,515</u> | <u>\$ 8,182,292</u> |
| Debt Service as a Percentage of Noncapital Expenditures  | 2.53 %              | 2.68 %                | 3.36 %               | 4.99 %              |

Notes- Prior years have been restated to reflect changes in application of accounting principles. Debt service % of noncapital expenditures for 2009 forward are calculated using the cost of assets capitalized as noted on page 20 of this report.

| Fiscal Year           |                      |                        |                       |                     |                       |
|-----------------------|----------------------|------------------------|-----------------------|---------------------|-----------------------|
| 2011                  | 2012                 | 2013                   | 2014                  | 2015                | 2016                  |
| \$ 42,894,699         | \$ 43,321,346        | \$ 45,381,465          | \$ 46,080,419         | \$ 47,622,988       | \$ 49,094,499         |
| 3,601,583             | 3,643,827            | 3,803,075              | 3,980,542             | 4,220,057           | 4,401,519             |
| -                     | -                    | -                      | -                     | -                   | 359,780               |
| 15,043,437            | 15,686,739           | 15,762,702             | 17,396,190            | 18,835,848          | 20,227,334            |
| 41,421                | 42,661               | 32,075                 | 41,016                | 140,838             | 47,752                |
| 174,488               | 249,950              | 502,006                | 1,101,703             | 1,170,996           | 1,696,121             |
| 31,899,234            | 30,307,089           | 38,444,504             | 40,243,767            | 36,506,385          | 42,708,094            |
| 4,540,767             | 4,554,965            | 4,604,132              | 4,708,327             | 4,916,568           | 4,962,444             |
| 7,209,946             | 12,442,726           | 11,793,977             | 12,267,130            | 7,183,453           | 7,730,730             |
| 319,990               | 223,353              | (18,717)               | 524,074               | 329,384             | 210,312               |
| 751,753               | 388,519              | 268,023                | 784,640               | 578,187             | 474,662               |
| 1,053,022             | 1,612,209            | 727,004                | 636,949               | 708,951             | 1,634,907             |
| <u>107,530,340</u>    | <u>112,473,384</u>   | <u>121,300,246</u>     | <u>127,764,757</u>    | <u>122,213,655</u>  | <u>133,548,154</u>    |
| 30,060,394            | 27,188,093           | 27,239,875             | 27,788,339            | 29,706,981          | 30,746,579            |
| 25,072,526            | 25,970,555           | 26,128,149             | 26,180,149            | 27,725,104          | 29,964,927            |
| 7,156,834             | 7,191,094            | 7,425,035              | 7,377,167             | 6,275,175           | 7,315,322             |
| 26,856,745            | 28,005,206           | 28,047,137             | 29,650,774            | 31,710,570          | 34,090,326            |
| 1,213,862             | 787,893              | 716,716                | 950,674               | 760,594             | 606,903               |
| 4,748,937             | 2,928,674            | 2,260,312              | 1,828,874             | 2,224,129           | 1,805,701             |
| 658,969               | 670,167              | 582,128                | 780,302               | 806,176             | 869,951               |
| 1,264,510             | 2,409,429            | 2,915,755              | 4,015,513             | 5,085,119           | 5,806,682             |
| 2,994,171             | 2,388,570            | 2,285,330              | 2,452,650             | 2,824,128           | 4,570,517             |
| 2,539,165             | 2,027,050            | 2,663,316              | 2,768,172             | 2,893,670           | 3,009,839             |
| 2,614,695             | 3,789,644            | 5,077,399              | 4,975,400             | 4,846,666           | 4,729,394             |
| -                     | 1,441,272            | -                      | -                     | -                   | -                     |
| 12,201,925            | 22,163,159           | 49,635,933             | 20,185,936            | 7,459,426           | 10,768,958            |
| <u>117,382,733</u>    | <u>126,960,806</u>   | <u>154,977,085</u>     | <u>128,953,950</u>    | <u>122,317,738</u>  | <u>134,285,099</u>    |
| <u>(9,852,393)</u>    | <u>(14,487,422)</u>  | <u>(33,676,839)</u>    | <u>(1,189,193)</u>    | <u>(104,083)</u>    | <u>(736,945)</u>      |
| 1,874,015             | -                    | -                      | -                     | -                   | -                     |
| -                     | 55,000,000           | -                      | -                     | -                   | -                     |
| -                     | 4,400,198            | -                      | -                     | -                   | -                     |
| -                     | -                    | -                      | -                     | -                   | -                     |
| 12,335,090            | 3,283,508            | 10,005,614             | 2,387,210             | 1,622,538           | 4,645,384             |
| <u>(12,385,090)</u>   | <u>(7,176,797)</u>   | <u>(10,314,376)</u>    | <u>(2,695,972)</u>    | <u>(1,931,401)</u>  | <u>(4,998,124)</u>    |
| <u>1,824,015</u>      | <u>55,491,172</u>    | <u>(308,762)</u>       | <u>(308,762)</u>      | <u>(308,863)</u>    | <u>(352,740)</u>      |
| <u>\$ (8,028,378)</u> | <u>\$ 41,032,661</u> | <u>\$ (33,985,601)</u> | <u>\$ (1,497,955)</u> | <u>\$ (412,946)</u> | <u>\$ (1,089,685)</u> |
| 4.90 %                | 5.55 %               | 7.35 %                 | 7.12 %                | 6.10 %              | 5.38 %                |

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**PUEBLO COUNTY, COLORADO  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

| Fiscal Year<br>Ended<br>December 31, | Taxes Levied<br>for the<br>Fiscal Year | Collected Within the<br>Fiscal Year of the Levy |                       | Collections<br>in Subsequent<br>Years | Total Collections to Date |                       |
|--------------------------------------|----------------------------------------|-------------------------------------------------|-----------------------|---------------------------------------|---------------------------|-----------------------|
|                                      |                                        | Amount                                          | Percentage<br>of Levy |                                       | Amount                    | Percentage<br>of Levy |
| 2007                                 | 34,603,767                             | 34,554,867                                      | 99.86%                | (209,155)                             | 34,345,712                | 99.25%                |
| 2008                                 | 38,386,382                             | 38,301,325                                      | 99.78%                | 73,033                                | 38,374,358                | 99.97%                |
| 2009                                 | 38,935,035                             | 38,375,174                                      | 98.56%                | 436,519                               | 38,811,693                | 99.68%                |
| 2010                                 | 41,538,357                             | 41,293,332                                      | 99.41%                | 86,738                                | 41,380,070                | 99.62%                |
| 2011                                 | 42,858,211                             | 42,737,389                                      | 99.72%                | 66,061                                | 42,803,450                | 99.87%                |
| 2012                                 | 45,903,474                             | 45,712,521                                      | 99.58%                | 29,162                                | 45,741,683                | 99.65%                |
| 2013                                 | 49,795,510                             | 49,663,296                                      | 99.73%                | 4,488                                 | 49,667,784                | 99.74%                |
| 2014                                 | 49,799,146                             | 49,665,427                                      | 99.73%                | (11,880)                              | 49,653,547                | 99.71%                |
| 2015                                 | 50,223,442                             | 50,119,332                                      | 99.79%                | 8,064                                 | 50,127,396                | 99.81%                |
| 2016                                 | 51,139,416                             | 51,010,317                                      | 99.75%                | -                                     | 51,010,317                | 99.75%                |

Source: Pueblo County Assessor and Office of Budget and Finance

**PUEBLO COUNTY, COLORADO**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
*(rate per \$1,000 of assessed value)*

|                                            | Year Taxes are Payable |        |        |        |
|--------------------------------------------|------------------------|--------|--------|--------|
|                                            | 2007                   | 2008   | 2009   | 2010   |
| <b>County Direct Rates</b>                 |                        |        |        |        |
| General                                    | 29.999                 | 29.999 | 29.999 | 29.999 |
| Library                                    | 1.073                  | 0.954  | 0.927  | 0.867  |
| Animal Shelter                             | 0.835                  | 0.755  | 0.269  | 0.252  |
| Refunds/ Abatements-General Fund           | -                      | -      | -      | -      |
| Total Direct Rate                          | 31.907                 | 31.708 | 31.195 | 31.118 |
| <b>City and Towns Rates</b>                |                        |        |        |        |
| Boone                                      | 17.880                 | 9.670  | 10.620 | 12.058 |
| Pueblo                                     | 15.633                 | 15.633 | 15.633 | 15.633 |
| Rye                                        | 5.609                  | 5.488  | 5.900  | 6.771  |
| <b>School Districts</b>                    |                        |        |        |        |
| Edison 54J                                 | 36.357                 | 38.814 | 38.801 | 37.525 |
| Fowler R4J                                 | 39.896                 | 38.183 | 38.018 | 37.511 |
| Pueblo 60                                  | 42.587                 | 39.152 | 37.966 | 36.629 |
| Pueblo 70                                  | 48.831                 | 41.873 | 40.804 | 40.804 |
| <b>Improvement &amp; Service Districts</b> |                        |        |        |        |
| Avondale Water & Sanitation                | 10.641                 | 10.641 | 10.641 | 10.641 |
| Bandera Blvd. Special Improvement          | 5.000                  | 5.000  | 5.000  | 5.000  |
| Beulah Fire & Ambulance District           | -                      | 7.000  | 7.000  | 7.000  |
| Colorado City Cemetery                     | 1.147                  | 1.071  | 1.071  | 1.071  |
| Colorado City Metro                        | 17.967                 | 16.646 | 17.967 | 17.967 |
| Edison Fire Protection District            | -                      | 9.000  | 9.000  | 9.000  |
| Fowler Rural Fire                          | 4.635                  | 4.546  | 4.462  | 4.109  |
| Lower Arkansas Valley Water Conservancy    | 1.502                  | 1.502  | 1.503  | 1.502  |
| Midway Ranches Fire Protection District    | -                      | -      | -      | -      |
| Pine Drive Water                           | 13.812                 | 14.776 | 14.582 | 14.391 |
| Pueblo Regional Library                    | 5.250                  | 5.250  | 5.261  | 5.302  |
| Pueblo Rural Fire                          | 24.268                 | 24.268 | 24.268 | 24.268 |
| Pueblo West Metro                          | 20.193                 | 20.193 | 20.193 | 20.193 |
| Rye Fire                                   | 10.036                 | 10.036 | 10.036 | 10.036 |
| South Point Special Improvement            | 5.000                  | 5.000  | 5.000  | 5.000  |
| South Eastern Water Conservancy            | 0.941                  | 0.915  | 0.943  | 0.940  |
| St. Charles Mesa Sanitation                | 4.250                  | 4.064  | 4.250  | 4.090  |
| West Park Fire                             | 5.346                  | 5.433  | 5.433  | 5.433  |
| Thunder Village Metropolitan Dist          | -                      | -      | -      | -      |

Source: Pueblo County Abstract of Assessment

| Year Taxes are Payable |        |        |        |        |        |
|------------------------|--------|--------|--------|--------|--------|
| 2011                   | 2012   | 2013   | 2014   | 2015   | 2016   |
| 29.999                 | 29.999 | 29.999 | 29.999 | 29.999 | 29.999 |
| 0.840                  | 0.767  | 0.708  | 0.703  | 0.698  | 0.683  |
| (0.140)                | -      | -      | -      | -      | -      |
| 0.978                  | 0.106  | 0.252  | 0.048  | 0.072  | 0.028  |
| 31.677                 | 30.872 | 30.959 | 30.750 | 30.769 | 30.710 |
| 14.466                 | 15.621 | 15.867 | 16.613 | 17.397 | 17.397 |
| 15.633                 | 15.633 | 15.633 | 15.633 | 15.633 | 15.633 |
| 6.888                  | 6.972  | 6.972  | 6.972  | 6.972  | 6.972  |
| 36.207                 | 36.104 | 37.044 | 37.861 | 40.834 | 36.502 |
| 37.389                 | 32.263 | 36.123 | 36.098 | 33.500 | 33.595 |
| 38.811                 | 34.324 | 36.032 | 35.573 | 35.234 | 35.392 |
| 39.297                 | 39.297 | 39.243 | 39.033 | 39.995 | 40.242 |
| 10.641                 | 10.641 | 10.641 | 10.641 | 10.641 | 10.641 |
| 5.000                  | 3.000  | 3.000  | 3.000  | 3.000  | 3.000  |
| 7.000                  | 7.000  | 13.500 | 13.500 | 13.500 | 22.500 |
| 1.071                  | 1.071  | 1.071  | 1.071  | 1.071  | 1.071  |
| 17.967                 | 17.967 | 17.967 | 17.967 | 17.967 | 17.967 |
| 9.000                  | 9.000  | 9.000  | 9.000  | 9.000  | 9.000  |
| 4.057                  | 3.900  | 3.777  | 3.410  | 2.770  | 2.940  |
| 1.502                  | 1.502  | 1.502  | 1.503  | 1.503  | 1.503  |
| 1.650                  | 18.760 | 18.760 | 18.760 | 18.760 | 15.000 |
| 14.352                 | 15.115 | 15.196 | 16.348 | 15.369 | 15.060 |
| 5.413                  | 5.268  | 5.293  | 5.258  | 5.255  | 5.282  |
| 24.268                 | 24.268 | 24.268 | 24.268 | 24.268 | 24.268 |
| 20.193                 | 20.193 | 20.193 | 20.193 | 19.838 | 20.239 |
| 10.036                 | 10.036 | 10.036 | 10.036 | 10.036 | 15.536 |
| 5.000                  | 5.000  | 5.000  | 5.000  | 5.000  | 5.000  |
| 0.947                  | 0.947  | 0.944  | 0.940  | 0.941  | 0.940  |
| 4.250                  | 4.250  | 4.190  | 4.250  | 4.019  | 4.250  |
| 5.433                  | 5.433  | 5.433  | 5.433  | 5.433  | 5.433  |
| 5.000                  | 5.000  | 5.000  | 5.000  | 5.000  | 5.000  |

**PUEBLO COUNTY, COLORADO**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
*(in thousands of dollars)*

| Fiscal<br>Year<br>Ended<br>December 31, | Vacant<br>Unimproved<br>Land | Residential<br>Property | Natural<br>Resources | Commercial<br>Property | Industrial<br>Property | Agricultural<br>Property | Public<br>Utilities |
|-----------------------------------------|------------------------------|-------------------------|----------------------|------------------------|------------------------|--------------------------|---------------------|
| 2007                                    | 58,304                       | 542,161                 | 1,674                | 247,349                | 108,087                | 10,731                   | 118,276             |
| 2008                                    | 78,048                       | 611,510                 | 2,420                | 271,278                | 117,003                | 10,457                   | 125,655             |
| 2009                                    | 77,017                       | 626,504                 | 2,800                | 284,856                | 128,941                | 10,563                   | 129,353             |
| 2010                                    | 75,588                       | 626,002                 | 2,959                | 298,026                | 185,283                | 10,332                   | 152,191             |
| 2011                                    | 75,008                       | 631,212                 | 3,051                | 300,396                | 218,743                | 10,316                   | 160,096             |
| 2012                                    | 63,728                       | 592,631                 | 2,690                | 301,583                | 242,564                | 11,635                   | 343,291             |
| 2013                                    | 62,804                       | 596,087                 | 2,685                | 300,801                | 226,488                | 11,222                   | 469,730             |
| 2014                                    | 53,676                       | 564,333                 | 2,986                | 303,331                | 217,626                | 12,901                   | 397,347             |
| 2015                                    | 52,973                       | 569,105                 | 2,948                | 303,058                | 221,464                | 13,056                   | 399,304             |
| 2016                                    | 50,591                       | 600,069                 | 3,002                | 307,413                | 225,716                | 18,565                   | 378,079             |

Sources: Pueblo Abstract of Assessment.

Notes: Property in Pueblo County is reassessed once every two years. The County assessed residential property at a constant rate from 2007 to 2016 at 7.96% of actual value. All other property was assessed at 29% of actual value. Actual taxable value is obtained from the prior year Abstract of Assessment for the fiscal year for which levied. Tax rates are per \$1,000 of assessed value.

| Total<br>Taxable<br>Assessed<br>Value | Total<br>Direct<br>Tax<br>Rate | Estimated<br>Actual<br>Taxable<br>Value | Exempt<br>Property<br>Assessed<br>Value | Taxable Assessed<br>Value as a<br>Percentage of<br>Actual Taxable<br>Value |
|---------------------------------------|--------------------------------|-----------------------------------------|-----------------------------------------|----------------------------------------------------------------------------|
| 1,086,582                             | 31.91                          | 8,671,580                               | 116,798                                 | 12.530%                                                                    |
| 1,216,371                             | 31.71                          | 9,766,507                               | 123,006                                 | 12.455%                                                                    |
| 1,260,034                             | 31.20                          | 10,054,376                              | 124,404                                 | 12.532%                                                                    |
| 1,350,381                             | 31.12                          | 10,376,477                              | 129,829                                 | 13.014%                                                                    |
| 1,398,822                             | 31.68                          | 10,592,404                              | 147,445                                 | 13.206%                                                                    |
| 1,559,121                             | 30.87                          | 10,777,971                              | 152,654                                 | 14.466%                                                                    |
| 1,669,818                             | 30.96                          | 11,191,118                              | 155,686                                 | 14.921%                                                                    |
| 1,552,200                             | 30.75                          | 10,895,124                              | 163,999                                 | 14.247%                                                                    |
| 1,561,908                             | 30.77                          | 10,573,120                              | 163,795                                 | 14.772%                                                                    |
| 1,583,435                             | 30.71                          | 10,929,571                              | 167,045                                 | 14.488%                                                                    |

**PUEBLO COUNTY, COLORADO  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO**

| Taxpayer                           | <u>2016</u>                  |      |                                                                  | <u>2007</u>                  |      |                                                                  |
|------------------------------------|------------------------------|------|------------------------------------------------------------------|------------------------------|------|------------------------------------------------------------------|
|                                    | Taxable<br>Assessed<br>Value | Rank | Percentage<br>of Total<br>County<br>Taxable<br>Assessed<br>Value | Taxable<br>Assessed<br>Value | Rank | Percentage<br>of Total<br>County<br>Taxable<br>Assessed<br>Value |
| Public Service Company of Colorado | 222,230,400                  | 1    | 14.03%                                                           | 50,909,600                   | 1    | 4.69%                                                            |
| Black Hills Colorado Electric      | 71,012,300                   | 2    | 4.48%                                                            |                              |      |                                                                  |
| GCC Rio Grande Inc                 | 69,612,373                   | 3    | 4.40%                                                            |                              |      |                                                                  |
| Intermountain Rural Electric       | 48,891,600                   | 4    | 3.09%                                                            |                              |      |                                                                  |
| Black Hills Colorado IPP LLC       | 42,686,800                   | 5    | 2.70%                                                            |                              |      |                                                                  |
| Vestas Towers of America Inc       | 32,328,993                   | 6    | 2.04%                                                            |                              |      |                                                                  |
| EVRAZ (Rocky Mountain Steel Mills) | 24,719,408                   | 7    | 1.56%                                                            | 27,496,340                   | 2    | 2.53%                                                            |
| Union Pacific Railroad Co          | 20,845,669                   | 8    | 1.32%                                                            | 7,573,400                    | 6    | 0.70%                                                            |
| Qwest Corporation                  | 19,298,200                   | 9    | 1.22%                                                            | 20,287,400                   | 3    | 1.87%                                                            |
| BNSF Railway Company               | 18,476,900                   | 10   | 1.17%                                                            | 7,979,600                    | 5    | 0.73%                                                            |
| Aquila                             | -                            | 10   | -%                                                               | 9,759,200                    | 4    | 0.90%                                                            |
| B F Goodrich Aerospace Co          |                              |      |                                                                  | 7,413,860                    | 7    | 0.68%                                                            |
| Trane Company                      |                              |      |                                                                  | 7,224,640                    | 8    | 0.66%                                                            |
| Dayton Hudson Company              |                              |      |                                                                  | 5,940,570                    | 9    | 0.55%                                                            |
| Parkview Medical Center            |                              |      |                                                                  | 4,085,720                    | 10   | 0.38%                                                            |
| <b>Total</b>                       | <u>570,102,643</u>           |      | <u>36.01%</u>                                                    | <u>148,670,330</u>           |      | <u>13.69%</u>                                                    |

Source: County Assessor's Office

**PUEBLO COUNTY, COLORADO**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

| Fiscal<br>Year<br>Ended<br>December 31, | General Bonded Debt Outstanding           |                                               |            |                                 |            | Percentage<br>of Actual<br>Taxable<br>Value of<br>Property<br>(a) | Per<br>Capita<br>(b) |
|-----------------------------------------|-------------------------------------------|-----------------------------------------------|------------|---------------------------------|------------|-------------------------------------------------------------------|----------------------|
|                                         | General<br>Obligation<br>Library<br>Bonds | Limited Tax<br>General<br>Obligation<br>Bonds | Total      | Less<br>Debt<br>Service<br>Fund | Net        |                                                                   |                      |
| 2007                                    | 12,872,715                                | 2,859,500                                     | 15,732,215 | 1,668,467                       | 14,063,748 | 0.14 %                                                            | 76                   |
| 2008                                    | 11,426,366                                | 2,061,911                                     | 13,488,277 | 1,746,155                       | 11,742,122 | 0.10 %                                                            | 65                   |
| 2009                                    | 9,912,837                                 | 1,232,373                                     | 11,145,210 | 1,184,675                       | 9,960,535  | 0.09 %                                                            | 58                   |
| 2010                                    | 8,339,859                                 | 369,607                                       | 8,709,466  | 666,170                         | 8,043,296  | 0.08 %                                                            | 51                   |
| 2011                                    | 7,230,040                                 | -                                             | 7,230,040  | 105,402                         | 7,124,638  | 0.07 %                                                            | 47                   |
| 2012                                    | 6,903,339                                 | -                                             | 6,903,339  | 103,376                         | 6,799,963  | 0.06 %                                                            | 41                   |
| 2013                                    | 6,032,487                                 | -                                             | 6,032,487  | 105,457                         | 5,927,030  | 0.05 %                                                            | 37                   |
| 2014                                    | 5,126,635                                 | -                                             | 5,126,635  | 106,062                         | 5,020,573  | 0.05 %                                                            | 31                   |
| 2015                                    | 4,175,783                                 | -                                             | 4,175,783  | 107,076                         | 4,068,707  | 0.04 %                                                            | 25                   |
| 2016                                    | 3,189,931                                 | -                                             | 3,189,931  | 108,406                         | 3,081,525  | 0.03 %                                                            | 19                   |

Note: For details on the County's outstanding debt, see the notes to the financial statements starting on page 53.

(a) See page 142 for property value data.

(b) Population data can be found on page 151.

**PUEBLO COUNTY, COLORADO**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

| Fiscal<br>Year<br>Ended<br>December<br>31, | Governmental Activities        |                                     |                   | Business-Type Activities                   |                   |
|--------------------------------------------|--------------------------------|-------------------------------------|-------------------|--------------------------------------------|-------------------|
|                                            | General<br>Obligation<br>Bonds | Certificates<br>of<br>Participation | Capital<br>Leases | Certificates<br>of<br>Participation<br>(a) | Capital<br>Leases |
| 2007                                       | 12,872,715                     | -                                   | 1,147,738         | 6,162,667                                  | 255,631           |
| 2008                                       | 11,426,366                     | 11,337,531                          | 863,065           | 5,967,309                                  | 186,508           |
| 2009                                       | 9,912,837                      | 37,544,587                          | 598,655           | 5,748,474                                  | 113,689           |
| 2010                                       | 8,339,859                      | 36,486,559                          | 311,606           | 5,510,923                                  | 173,281           |
| 2011                                       | 7,230,040                      | 35,393,531                          | 1,921,064         | 5,259,963                                  | 118,503           |
| 2012                                       | 6,903,339                      | 93,552,476                          | 1,874,015         | 5,483,408                                  | 58,887            |
| 2013                                       | 6,032,487                      | 91,965,148                          | 1,528,390         | 5,125,569                                  | 29,950            |
| 2014                                       | 5,126,635                      | 90,322,820                          | 1,170,218         | 4,752,316                                  | -                 |
| 2015                                       | 4,175,783                      | 88,615,492                          | 796,548           | 4,363,632                                  | -                 |
| 2016                                       | 3,189,931                      | 86,843,164                          | 976,345           | 3,959,466                                  | 173,872           |

| Other<br>Government<br>Land<br>Purchase<br>Option | Other<br>Government<br>Advance on<br>Water<br>Payments | Other<br>Government<br>Non-<br>Interest<br>Loan | Total Primary<br>Government | Percentage<br>of Personal<br>Income (g) | Debt per<br>Capita (g) |
|---------------------------------------------------|--------------------------------------------------------|-------------------------------------------------|-----------------------------|-----------------------------------------|------------------------|
| 457,000                                           | 812,483                                                | 1,570,538                                       | 23,278,772                  | 0.69 %                                  | 150                    |
| 457,000                                           | 957,979                                                | 1,814,582                                       | 33,010,340                  | 0.97 %                                  | 211                    |
| 457,000                                           | 1,109,381                                              | 2,054,111                                       | 57,538,734                  | 1.70 %                                  | 362                    |
| 457,000                                           | 1,279,813                                              | 2,314,661                                       | 54,873,702                  | 1.64 %                                  | 345                    |
| 457,000                                           | 1,279,813                                              | 2,632,273                                       | 54,292,187                  | 1.72 %                                  | 338                    |
| 457,000                                           | 1,279,813                                              | 2,950,055                                       | 112,558,993                 | 3.25 %                                  | 697                    |
| 457,000                                           | 1,279,813                                              | 3,268,533                                       | 109,686,890                 | 3.04 %                                  | 685                    |
| 457,000                                           | 1,279,813                                              | 3,577,295                                       | 106,686,097                 | 3.00 %                                  | 667                    |
| 457,000                                           | 1,279,813                                              | 3,886,158                                       | 103,574,426                 | 2.84 %                                  | 645                    |
| 457,000                                           | 1,279,813                                              | 4,192,887                                       | 101,072,478                 | 2.66 %                                  | 624                    |

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**PUEBLO COUNTY, COLORADO**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF DECEMBER 31, 2016**

| <u>Government Unit</u>                 | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable (a)</u> | <u>Estimated<br/>Share of<br/>Overlapping<br/>Debt</u> |
|----------------------------------------|-----------------------------|----------------------------------------------------|--------------------------------------------------------|
| <b>Debt Repaid with Property Taxes</b> |                             |                                                    |                                                        |
| City of Pueblo                         | \$ 23,901,354               | 100.000 %                                          | \$ 23,901,354                                          |
| School District # 60                   | 42,269,999                  | 100.000 %                                          | 42,269,999                                             |
| School District # 70                   | 80,945,000                  | 100.000 %                                          | 80,945,000                                             |
| Pine Drive Water District              | 58,158                      | 100.000 %                                          | 58,158                                                 |
| Fowler R4J                             | 675,000                     | 29.870 %                                           | 212,288                                                |
| Pueblo City-County Library District    | 9,650,000                   | - %                                                | 9,650,000                                              |
| Pueblo West Metro District             | 767,460                     | 100.000 %                                          | 767,460                                                |
| Thunder Village Special District       | <u>6,500,000</u>            | 100.000 %                                          | <u>6,500,000</u>                                       |
| Subtotal, Overlapping Debt             | 164,766,971                 | 99.719 %                                           | <u>\$ 164,304,259</u>                                  |
| County Direct Debt                     | <u>86,843,164</u>           |                                                    |                                                        |
| Total Direct and Overlapping Debt      | <u>\$ 251,610,135</u>       |                                                    |                                                        |

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the County's boundaries. All governmental units are located within the geographic boundaries of the County.

**PUEBLO COUNTY, COLORADO**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
(dollars in thousands)

|                                                                         | Fiscal Year       |                   |                   |                   |
|-------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                         | 2007              | 2008              | 2009              | 2010              |
| Debt limit                                                              | \$ 292,995        | \$ 301,631        | \$ 311,294        | \$ 317,772        |
| Total Debt Applicable to Limit                                          | <u>2,859</u>      | <u>2,062</u>      | <u>1,232</u>      | <u>370</u>        |
| Legal Debt Margin                                                       | <u>\$ 290,136</u> | <u>\$ 299,569</u> | <u>\$ 310,062</u> | <u>\$ 317,402</u> |
| Total Net Debt Applicable to the<br>Limit as a Percentage of Debt Limit | 0.98 %            | 0.68 %            | 0.40 %            | 0.12 %            |

**Legal Debt Margin Calculation  
for Fiscal Year 2015:**

|                                                        |                |
|--------------------------------------------------------|----------------|
| Actual Value (a)                                       | 11,977,373     |
| Debt Limit (3% of Actual Value)                        | 359,321        |
| Debt Applicable to Limit -<br>General Obligation Bonds | <u>-</u>       |
| Legal Debt Margin                                      | <u>359,321</u> |

The constitutional debt limitation applies to all general obligation bonds authorized. Additional general obligation bonds may be authorized to be issued if so approved by a majority of those voting in an election held for that purpose. Pueblo County has no general obligation bonds authorized but unissued.

(a) Source: 2016 County Abstract of Assessment

Note: From 2003 through 2016, the margin was 3% of actual value. General Obligation Library Bonds are excluded by state statute from legal debt margin requirements.

| Fiscal Year       |                   |                   |                   |                   |                   |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2011              | 2012              | 2013              | 2014              | 2015              | 2016              |
| \$ 323,339        | \$ 335,734        | \$ 320,455        | \$ 329,538        | \$ 359,286        | \$ 359,321        |
| -                 | -                 | -                 | -                 | -                 | -                 |
| <u>\$ 323,339</u> | <u>\$ 335,734</u> | <u>\$ 320,455</u> | <u>\$ 329,538</u> | <u>\$ 359,286</u> | <u>\$ 359,321</u> |
| 0.00 %            | 0.00 %            | 0.00 %            | 0.00 %            | 0.00 %            | 0.00 %            |

**PUEBLO COUNTY, COLORADO  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

| <b>Fiscal<br/>Year</b> | <b>Population</b> | <b>Personal<br/>Income<br/>(thousands<br/>of dollars)</b> | <b>Per Capita<br/>Personal<br/>Income</b> | <b>Median<br/>Age</b> | <b>Education<br/>Level<br/>Percent of<br/>High School<br/>Graduates</b> | <b>School<br/>Enrollment</b> |
|------------------------|-------------------|-----------------------------------------------------------|-------------------------------------------|-----------------------|-------------------------------------------------------------------------|------------------------------|
| 2007                   | 154,712           | 3,350,443                                                 | 21,656                                    | 36.4                  | 86.1%                                                                   | 27,559                       |
| 2008                   | 156,781           | 3,402,618                                                 | 21,703                                    | 36.3                  | 86.9%                                                                   | 27,749                       |
| 2009                   | 158,804           | 3,393,959                                                 | 21,372                                    | 37.8                  | 87.8%                                                                   | 27,659                       |
| 2010                   | 159,106           | 3,348,227                                                 | 21,044                                    | 38.0                  | 77.7%                                                                   | 27,256                       |
| 2011                   | 160,630           | 3,163,608                                                 | 19,695                                    | 39.0                  | 72.4%                                                                   | 26,848                       |
| 2012                   | 161,422           | 3,467,667                                                 | 21,482                                    | 38.6                  | 70.5%                                                                   | 26,865                       |
| 2013                   | 160,172           | 3,605,312                                                 | 22,509                                    | 39.3                  | 74.8%                                                                   | 27,247                       |
| 2014                   | 160,022           | 3,557,449                                                 | 22,231                                    | 39.0                  | 80.8%                                                                   | 26,279                       |
| 2015                   | 160,685           | 3,647,550                                                 | 22,700                                    | 39.2                  | 75.1%                                                                   | 27,270                       |
| 2016                   | 162,038           | 3,806,272                                                 | 23,490                                    | 39.3                  | 79.7%                                                                   | 26,320                       |

Sources: Population, personal income, per capital income, and median age information provided by Colorado Division of Local Affairs, Demography Section. High school graduates percentage and enrollment data provided by annual census of schools. Unemployment data provided by the Colorado Department of Labor and Employment. Construction information provided by the Pueblo Regional Building Department.

| Unemployment<br>Rate | Commercial Construction |                                                 | Residential Construction |                                                 |
|----------------------|-------------------------|-------------------------------------------------|--------------------------|-------------------------------------------------|
|                      | No.<br>Of<br>Units      | Estimated<br>Costs<br>(thousands<br>of dollars) | No.<br>Of<br>Units       | Estimated<br>Costs<br>(thousands<br>of dollars) |
| 5.5%                 | 98                      | 56,915                                          | 664                      | 112,955                                         |
| 7.5%                 | 64                      | 169,825                                         | 400                      | 66,188                                          |
| 8.4%                 | 45                      | 33,041                                          | 208                      | 41,949                                          |
| 8.9%                 | 82                      | 38,058                                          | 216                      | 39,615                                          |
| 10.2%                | 43                      | 14,384                                          | 117                      | 20,893                                          |
| 10.6%                | 56                      | 70,137                                          | 180                      | 34,808                                          |
| 9.6%                 | 42                      | 17,588                                          | 159                      | 28,935                                          |
| 7.3%                 | 70                      | 32,949                                          | 386                      | 44,084                                          |
| 6.4%                 | 78                      | 39,377                                          | 223                      | 37,938                                          |
| 4.5%                 | 83                      | 19,192                                          | 211                      | 35,052                                          |

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**PUEBLO COUNTY, COLORADO  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

| Employer                                | Employees | 2016<br>Rank | Percentage<br>of Total<br>County<br>Employment | Employees | 2007<br>Rank | Percentage<br>of Total<br>County<br>Employment |
|-----------------------------------------|-----------|--------------|------------------------------------------------|-----------|--------------|------------------------------------------------|
| Pueblo City Schools (District 60)       | 3,312     | 1            | 4.77 %                                         | 2,000     | 1            | 3.53 %                                         |
| Parkview Medical Center                 | 2,744     | 2            | 3.95 %                                         | 1,974     | 2            | 3.48 %                                         |
| St Mary Corwin Hospital                 | 1,400     | 3            | 2.02 %                                         | 1,100     | 6            | 1.94 %                                         |
| Evraz, Inc.                             | 1,153     | 4            | 1.66 %                                         | 1,000     | 7            | 1.76 %                                         |
| Pueblo County Government                | 1,114     | 5            | 1.60 %                                         | 1,017     | 5            | 1.79 %                                         |
| Loaf N Jug                              | 1,100     | 6            | 1.58 %                                         | -         |              | - %                                            |
| Convergys                               | 1,000     | 7            | 1.44 %                                         | 800       | 9            | 1.41 %                                         |
| Walmart                                 | 1,000     | 7            | 1.44 %                                         | 1,250     | 3            | 2.20 %                                         |
| Trane                                   | 965       | 9            | 1.39 %                                         | 800       | 9            | 1.41 %                                         |
| Colorado Mental Health CMHIP            | 953       | 10           | 1.37 %                                         | 1,200     | 4            | 2.12 %                                         |
| Pueblo Community College                | 911       | 11           | 1.31 %                                         | -         |              | - %                                            |
| School District 70                      | 850       | 12           | 1.22 %                                         | 987       | 8            | 1.74 %                                         |
| City of Pueblo                          | 729       | 13           | 1.05 %                                         | -         |              | - %                                            |
| Target Distribution                     | 720       | 14           | 1.04 %                                         | -         |              | - %                                            |
| Colorado State University - Pueblo      | 580       | 15           | 0.84 %                                         | -         |              | - %                                            |
| Lowes                                   | 399       | 16           | 0.57 %                                         |           |              | - %                                            |
| RADIAL (Innotrac Call Center)           | 350       | 17           | 0.50 %                                         |           |              | - %                                            |
| CDOT                                    | 350       | 17           | 0.50 %                                         | -         |              | - %                                            |
| Kings Soopers                           | 325       | 19           | 0.47 %                                         | -         |              | - %                                            |
| Haven Behavioral Healthcare             | 300       | 20           | 0.43 %                                         | -         |              | - %                                            |
| Interim Health                          | 300       | 20           | 0.43 %                                         | -         |              | - %                                            |
| Mission Foods                           | 300       | 20           | 0.43 %                                         |           |              | - %                                            |
| Pueblo Chieftain                        | 250       | 23           | 0.36 %                                         |           |              | - %                                            |
| KR Swerdfeger                           | 250       | 23           | 0.36 %                                         |           |              | - %                                            |
| Pueblo Diversified Industries           | 250       | 23           | 0.36 %                                         | -         |              | - %                                            |
| Spanish Peaks Mental Health             | 250       | 23           | 0.36 %                                         |           |              | - %                                            |
| University Park Care Center             | 250       | 23           | 0.36 %                                         |           |              | - %                                            |
| Safeway Stores                          | 224       | 28           | 0.32 %                                         |           |              | - %                                            |
| Atlas Pacific Engineering               | 220       | 29           | 0.32 %                                         |           |              | - %                                            |
| South Pueblo Med Investors LTD          | 220       | 29           | 0.32 %                                         |           |              | - %                                            |
| Life Care Center of Pueblo              | 207       | 31           | 0.30 %                                         |           |              | - %                                            |
| Southern Colorado Gaming & Event Center | 201       | 32           | 0.29 %                                         |           |              | - %                                            |
| Albertsons                              | 200       | 33           | 0.29 %                                         |           |              | - %                                            |
| ASI Constructors Inc                    | 200       | 33           | 0.29 %                                         |           |              | - %                                            |
| Benesight                               | 200       | 33           | 0.29 %                                         |           |              | - %                                            |
| TTCI                                    | 200       | 33           | 0.29 %                                         |           |              | - %                                            |
| Marriott International                  | 200       | 33           | 0.29 %                                         |           |              | - %                                            |
| Pueblo Community Health Center          | 200       | 33           | 0.29 %                                         |           |              | - %                                            |
| Vision Mechanical                       | 200       | 33           | 0.29 %                                         |           |              | - %                                            |
| Westwind Living Center                  | 200       | 33           | 0.29 %                                         |           |              | - %                                            |
| Sams Club                               | 200       | 33           | 0.29 %                                         |           |              | - %                                            |
| Sangre de Cristo Hospice                | 200       | 33           | 0.29 %                                         |           |              | - %                                            |
| Total                                   | 25,177    |              | 36.26 %                                        | 12,128    |              | 21.38 %                                        |
| Total County                            | 69,423    |              | 100.00 %                                       | 56,695    |              | 100.00 %                                       |

NOTE: Includes those with 200 or more employees.

Source: Pueblo County Economic Development Department

**PUEBLO COUNTY, COLORADO**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

| Function/Program               | Fiscal Year |         |         |        |        |
|--------------------------------|-------------|---------|---------|--------|--------|
|                                | 2007        | 2008    | 2009    | 2010   | 2011   |
| Sheriff's Office               |             |         |         |        |        |
| Calls for Service:             |             |         |         |        |        |
| Law Enforcement                | 24,886      | 25,583  | 22,349  | 26,285 | 27,656 |
| Fire                           | 1,142       | 1,208   | 1,279   | 1,242  | 1,356  |
| Medical Emergency              | 2,665       | 3,289   | 2,891   | 3,113  | 3,388  |
| Physical Arrests               | 2,985       | 2,999   | 3,023   | 2,829  | 2,804  |
| Traffic Violations             | 2,929       | 3,325   | 3,047   | 2,413  | 2,712  |
| Detention                      |             |         |         |        |        |
| Jail Population, Daily-Average | 559         | 529     | 546     | 558    | 601    |
| Public Works                   |             |         |         |        |        |
| Customer Service Requests      | 204         | 177     | 207     | 238    | 194    |
| Crushed Gravel (Tons)          | 103,048     | 104,018 | 110,000 | 67,000 | 95,134 |
| Roads Chip Sealed (Miles)      | 21          | 33      | 35      | 15     | 16     |
| Roads Dust Treated (Miles)     | 97          | 97      | 106     | 178    | 106    |
| Roads Striped (Miles)          | 107         | 108     | 113     | 113    | 105    |
| Recreation                     |             |         |         |        |        |
| Golf Course Rounds             | 22,132      | 23,371  | 23,663  | 22,986 | 22,732 |
| Golf Annual-Pass Holders       | 158         | 187     | 164     | 182    | 189    |

Source: County departments

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

| Fiscal Year |        |        |        |        |
|-------------|--------|--------|--------|--------|
| 2012        | 2013   | 2014   | 2015   | 2016   |
| 27,834      | 28,576 | 28,890 | 31,207 | 24,085 |
| 1,598       | 1,551  | 1,439  | 1,373  | 1,682  |
| 3,502       | 3,585  | 3,698  | 4,211  | 4,462  |
| 2,840       | 3,450  | 3,457  | 4,172  | 4,186  |
| 2,412       | 2,289  | 2,786  | 3,061  | 912    |
| 613         | 615    | 672    | 837    | 887    |
| 215         | 296    | 267    | 394    | 392    |
| 76,094      | 77,996 | 80,000 | -      | 61,384 |
| 14          | 14     | 31     | 15     | 27     |
| 108         | 109    | 104    | 104    | 101    |
| 105         | 105    | 105    | 105    | 105    |
| 24,387      | 24,260 | 26,306 | 26,633 | 28,048 |
| 192         | 182    | 162    | 179    | 170    |

**PUEBLO COUNTY, COLORADO**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

| Function/Program                | Fiscal Year |      |      |      |      |
|---------------------------------|-------------|------|------|------|------|
|                                 | 2007        | 2008 | 2009 | 2010 | 2011 |
| Law Enforcement                 |             |      |      |      |      |
| Stations                        | 2           | 2    | 2    | 2    | 2    |
| Zone Offices                    | 3           | 3    | 3    | 3    | 3    |
| Patrol Units                    | 55          | 49   | 50   | 66   | 68   |
| Public Works                    |             |      |      |      |      |
| Paved Roads Maintained (Miles)  | 483         | 491  | 571  | 571  | 571  |
| Gravel Roads Maintained (Miles) | 728         | 720  | 640  | 640  | 640  |
| Parks and Recreation            |             |      |      |      |      |
| Acreage                         | 151         | 151  | 151  | 151  | 151  |
| Baseball Fields                 | 7           | 7    | 7    | 7    | 7    |
| Playgrounds                     | 5           | 5    | 5    | 5    | 5    |
| Community Centers               | 2           | 2    | 2    | 2    | 2    |
| Art Center                      | 1           | 1    | 1    | 1    | 1    |
| Children's Museum               | 1           | 1    | 1    | 1    | 1    |

| Fiscal Year |      |      |      |      |
|-------------|------|------|------|------|
| 2012        | 2013 | 2014 | 2015 | 2016 |
| 2           | 2    | 2    | 2    | 2    |
| 3           | 3    | 3    | 3    | 3    |
| 67          | 68   | 68   | 68   | 68   |
| 571         | 571  | 494  | 494  | 493  |
| 640         | 640  | 713  | 713  | 712  |
| 151         | 151  | 151  | 151  | 151  |
| 7           | 8    | 8    | 8    | 8    |
| 5           | 5    | 5    | 5    | 5    |
| 2           | 2    | 2    | 2    | 2    |
| 1           | 1    | 1    | 1    | 1    |
| 1           | 1    | 1    | 1    | 1    |

**PUEBLO COUNTY, COLORADO**  
**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

|                                      | Full-time Equivalent Employees as of December 31 |       |       |       |       |
|--------------------------------------|--------------------------------------------------|-------|-------|-------|-------|
|                                      | 2007                                             | 2008  | 2009  | 2010  | 2011  |
| General Government                   |                                                  |       |       |       |       |
| County Commissioners                 | 8                                                | 8     | 8     | 8     | 8     |
| County Attorney                      | 8                                                | 9     | 9     | 9     | 9     |
| County Surveyor                      | 1                                                | 1     | 1     | 1     | 1     |
| County Clerk/Recorder                | 34                                               | 36    | 35    | 33    | 33    |
| Election                             | 7                                                | 7     | 7     | 7     | 8     |
| Treasurer                            | 17                                               | 17    | 15    | 15    | 15    |
| Assessor                             | 30                                               | 32    | 29    | 29    | 29    |
| District Attorney                    | 65                                               | 64    | 63    | 61    | 61    |
| Office of Budget                     | 9                                                | 9     | 9     | 8     | 7     |
| Purchasing                           | 4                                                | 3     | 3     | 3     | 3     |
| Human Resources                      | 5                                                | 5     | 6     | 6     | 6     |
| Planning and Development             | 12                                               | 10    | 10    | 9     | 10    |
| Information and Computer Services    | 28                                               | 27    | 29    | 29    | 28    |
| Fleet & Equipment Management         | 4                                                | 4     | 4     | 4     | 4     |
| Facilities                           | 56                                               | 55    | 58    | 56    | 51    |
| GIS                                  | 4                                                | 4     | 5     | 5     | 4     |
| Retirement                           | 1                                                | 1     | 1     | 1     | 1     |
| Total General Government             | 293                                              | 292   | 292   | 284   | 278   |
| Public Safety                        |                                                  |       |       |       |       |
| Law Enforcement                      | 98                                               | 101   | 103   | 103   | 113   |
| Detention                            | 183                                              | 181   | 181   | 181   | 176   |
| Dispatch                             | 15                                               | 17    | 17    | 18    | 18    |
| Emergency Management                 | 10                                               | 11    | 11    | 11    | 12    |
| Coroner                              | 4                                                | 4     | 4     | 4     | 4     |
| Community Corrections Administration | -                                                | -     | -     | -     | -     |
| Total Public Safety                  | 310                                              | 314   | 316   | 317   | 323   |
| Highways and Streets                 |                                                  |       |       |       |       |
| Road and Bridge                      | 81                                               | 82    | 81    | 78    | 74    |
| Health and Welfare                   |                                                  |       |       |       |       |
| Housing & Human Services             | 33                                               | 31    | 33    | 45    | 40    |
| Social Services                      | 284                                              | 299   | 302   | 302   | 319   |
| Aging Services                       | 3                                                | 3     | 3     | 3     | 3     |
| Veterans Services                    | 3                                                | 3     | 3     | 3     | 3     |
| Total Health and Welfare             | 323                                              | 336   | 341   | 353   | 365   |
| Culture and Recreation               |                                                  |       |       |       |       |
| Parks                                | 4                                                | 4     | 4     | 4     | 4     |
| Conservation                         |                                                  |       |       |       |       |
| CSU Extension                        | 5                                                | 5     | 5     | 5     | 5     |
| Economic Development Administration  | 1                                                | 1     | 1     | 1     | -     |
| Total                                | 1,017                                            | 1,034 | 1,040 | 1,042 | 1,049 |

Source: County Payroll Department

Full-time Equivalent Employees as of December 31

| 2012 | 2013 | 2014 | 2015 | 2016 |
|------|------|------|------|------|
| 8    | 8    | 7    | 8    | 8    |
| 9    | 9    | 10   | 9    | 10   |
| 1    | 1    | 1    | 1    | 1    |
| 35   | 35   | 31   | 31   | 27   |
| 7    | 8    | 8    | 9    | 9    |
| 12   | 16   | 15   | 16   | 15   |
| 28   | 27   | 25   | 26   | 29   |
| 62   | 57   | 61   | 61   | 62   |
| 7    | 6    | 7    | 6    | 7    |
| 3    | 3    | 3    | 3    | 2    |
| 6    | 6    | 6    | 6    | 7    |
| 9    | 10   | 10   | 10   | 10   |
| 28   | 28   | 29   | 27   | 29   |
| 4    | 4    | 4    | 4    | 4    |
| 58   | 62   | 60   | 59   | 59   |
| 5    | 5    | 6    | 6    | 6    |
| 1    | 1    | 1    | 1    | 1    |
| 283  | 286  | 284  | 283  | 286  |

|     |     |     |     |     |
|-----|-----|-----|-----|-----|
| 113 | 110 | 111 | 110 | 114 |
| 180 | 181 | 198 | 195 | 211 |
| 19  | 19  | 15  | 18  | 17  |
| 12  | 15  | 16  | 15  | 16  |
| 4   | 1   | 1   | 1   | 1   |
| 2   | 2   | 2   | 2   | 2   |
| 330 | 328 | 343 | 341 | 361 |

|    |    |    |    |    |
|----|----|----|----|----|
| 80 | 77 | 73 | 73 | 73 |
|----|----|----|----|----|

|     |     |     |     |     |
|-----|-----|-----|-----|-----|
| 28  | 21  | 22  | 23  | 19  |
| 320 | 308 | 331 | 350 | 361 |
| 3   | 3   | 3   | 3   | 3   |
| 3   | 3   | 3   | 3   | 3   |
| 354 | 335 | 359 | 379 | 386 |

|   |   |   |   |   |
|---|---|---|---|---|
| 4 | - | - | 3 | 3 |
|---|---|---|---|---|

|   |   |   |   |   |
|---|---|---|---|---|
| 5 | 5 | 5 | 5 | 5 |
|---|---|---|---|---|

|   |   |   |   |   |
|---|---|---|---|---|
| - | - | - | - | - |
|---|---|---|---|---|

|       |       |       |       |       |
|-------|-------|-------|-------|-------|
| 1,056 | 1,031 | 1,064 | 1,084 | 1,114 |
|-------|-------|-------|-------|-------|

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***GOVERNMENT AUDITING STANDARDS***  
**AND**  
**UNIFORM GUIDANCE REPORTS**

**PUEBLO COUNTY, COLORADO**  
**GOVERNMENT AUDITING STANDARDS AND UNIFORM GUIDANCE REPORTS**  
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**PUEBLO COUNTY, COLORADO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2016**

**SECTION I - SUMMARY OF INDEPENDENT AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

An unmodified opinion was rendered on the basic financial statements of Pueblo County as of and for the year ended December 31, 2016 that were prepared in accordance with generally accepted accounting principles.

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes        X   No
- Significant deficiency(ies) identified? \_\_\_\_\_   X   Yes      \_\_\_\_\_ None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes        X   No

**FEDERAL AWARDS**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes        X   No
- Significant deficiency(ies) identified? \_\_\_\_\_   X   Yes      \_\_\_\_\_ None Reported

An unmodified opinion was issued on compliance for major programs.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ Yes        X   No

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u>      |
|-----------------------|------------------------------------------------|
| 81.041                | State Energy Program                           |
| 93.558                | Temporary Assistance for Needy Families (TANF) |
| 93.658                | Foster Care Title IV-E                         |
| 93.659                | Adoption Assistance                            |
| 93.667                | Social Services Block Grant                    |
| 93.778                | Medical Assistance Program                     |

Dollar threshold used to distinguish between type A and type B programs: \$1,071,737

Auditee qualified as a low-risk auditee? \_\_\_\_\_ Yes        X   No

**PUEBLO COUNTY, COLORADO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2016**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

Finding 2016-001: Accrual of Expenditures

Criteria or specific requirement: Generally accepted accounting principles require that expenditures be recorded in the period in which the liability is incurred.

Context/Effect/Cause: Based on audit procedures performed, we noted that expenditures and related accounts payable within the Employee Retirement fund were understated by \$333,521. The understatement was due to the issuance of wire transfers in 2017 that represented 2016 expenditures. A new procedure had been implemented to incorporate the issue of wire transfers for retirement related payments rather than warrants. This meant that an additional step would now be required to prepare a journal entry to accrue the expenditure outside of the normal automated prior-year warrant process.

We also noted that expenditures and related accounts payable within the Social Services fund were understated by \$51,847. The understatement was due to the use of a department level warrant to pay specific invoices that was not subject to the normal disbursement controls of the County and the normal automated prior-year warrant process.

The County's internal procedures provide that each department is responsible for identifying applicable invoices and vouchers and recording those transactions in the proper period.

Recommendation: We recommend the County establish procedures at the finance department level to verify that expenditures are recorded in the proper period. Those procedures should address the risk that accruals may have been improperly recorded at the department level. Those procedures should specifically address the accrual of wire transfer related expenditures and the use of department level warrants.

Views of responsible officials and planned corrective actions: We agree with the above finding and have implemented an appropriate corrective action plan.

Finding 2016-002: Earned Revenue

Criteria or specific requirement: Generally accepted accounting principles for governmental funds require that revenue be recorded in the period in which it has been earned and is measurable and available.

Context/Effect/Cause: Based on audit procedures performed, we noted that revenue was understated and related deferred inflows of resources were overstated in the general fund by \$119,540. A refund of unearned revenue was issued during the year and recorded as a reduction of revenue rather than a reduction of deferred inflows of resources as would have been appropriate. The issuance of refunds of grant funds is not routine and fell outside the normal year-end procedures to correct the balance of deferred inflows of resources.

Recommendation: We recommend the County establish procedures at the finance department level to verify that revenues are recorded in the proper period. Those procedures should address the recording of refunds.

Views of responsible officials and planned corrective actions: We agree with the above finding and have implemented an appropriate corrective action plan.

**PUEBLO COUNTY, COLORADO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2016**

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Finding 2016-003

|                      |                                              |
|----------------------|----------------------------------------------|
| Federal Agency:      | U.S. Department of Health and Human Services |
| CFDA#s:              | 93.778 - Medical Assistance Program          |
| Pass-through entity: | Colorado Department of Human Services        |

Criteria or specific requirement: The objective of the Medical Assistance Program is to provide payments for medical assistance to low-income persons. To qualify for assistance, clients must meet certain requirements, including, but not limited to, those related to income, resources, citizenship and identity; and compliance with these requirements must be properly documented.

Condition: Based on the review of documentation provided to us and inquiries of County personnel, it was determined that the County did not maintain a system sufficient to ensure and document compliance with eligibility requirements.

Questioned costs: There were no reportable questioned costs related to this finding because these benefits are not paid directly by the County.

Context: We selected sixty individual client files and found that twelve files were not properly documented to support client eligibility. After further review, County personnel were able to verify that these particular clients were eligible to receive benefits even though documentation had not been included as required in the case files.

Effect: Client eligibility was not supported due to improper case file documentation.

Cause: Due to the complexity of some Medicaid programs and the continued growth of caseloads assigned to each technician, certain steps related to client eligibility were not completed.

Recommendations: We recommend the County establish effective internal controls, employee training programs, and written procedures that ensure case files are properly documented to support client eligibility for the various Medicaid programs. The County has begun restructuring their business processes and are moving toward a task-based structure which should minimize potential errors by allowing technicians to focus on specific part of case management (i.e. intake, redeterminations, etc.).

Views of responsible officials and planned corrective actions: We agree with the above finding and have implemented an appropriate corrective action plan.

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**PUEBLO COUNTY, COLORADO  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2016**

Finding 2015-001

*Current Status:* Corrective action taken.

Finding 2015-002

*Current Status:* Corrective action taken.

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McPherson,  
Breyfogle,  
Daveline &  
Goodrich, PC

Certified Public Accountants

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Pueblo, CO 81003-3131

Phone (719) 543-0516

Fax (719) 544-2849

**INDEPENDENT AUDITORS' REPORT  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of County Commissioners  
Pueblo County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pueblo County, Colorado (the County), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 18, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, 2016-001 and 2016-002, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County of Pueblo, Colorado's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **County's Response to Findings**

County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*McPherson, Brynough, Davelos & Goodrich, PC*

September 18, 2017

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**INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE**

Board of County Commissioners  
Pueblo County, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited Pueblo County, Colorado's (the County's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2016. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the County's compliance.

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## Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

## Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as 2016-003 that we consider to be a significant deficiency.

The County's response to internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*McPherson, Brezofsky, Duvall & Goodrich, PC*

September 18, 2017

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**PUEBLO COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2016**

| <u>FEDERAL GRANTOR/PASS-THROUGH<br/>GRANTOR/PROGRAM OR CLUSTER TITLE</u>                                                                                                                               | <u>FEDERAL<br/>CFDA<br/>NUMBER</u> | <u>PASS-THROUGH<br/>ENTITY'S<br/>IDENTIFYING<br/>NUMBER</u> | <u>PASS-THROUGH<br/>TO<br/>SUBRECIPIENTS</u> | <u>TOTAL<br/>FEDERAL<br/>EXPENDITURES</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------|----------------------------------------------|-------------------------------------------|
| <b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>                                                                                                                                                           |                                    |                                                             |                                              |                                           |
| Passed through Colorado Department of Agriculture -<br>Specialty Crop Block Grant Program                                                                                                              | 10.170                             | CTGG1 BMAA 2015002449                                       |                                              | 56,935                                    |
| Passed through Colorado Department of Human Services -<br>Supplemental Nutrition Assistance Program Cluster -<br>State Administrative Matching Grants for<br>Supplemental Nutrition Assistance Program | 10.561                             | Not available                                               |                                              | 1,733,499                                 |
| Supplemental Nutrition Assistance Enhanced Workfare                                                                                                                                                    | 10.551                             | Not available                                               |                                              | 192,190                                   |
| Total SNAP Cluster                                                                                                                                                                                     |                                    |                                                             |                                              | 1,925,689                                 |
| Food Distribution Cluster -<br>Commodity Supplemental Food Program (Admin)                                                                                                                             | 10.565                             | Not available                                               |                                              | 223,197                                   |
| Commodity Supplemental Food Program (Commodities - Non-<br>Cash)                                                                                                                                       | 10.565                             | Not available                                               |                                              | 372,166                                   |
| Passed through Care & Share -<br>Emergency Food Assistance Program (Administrative Costs)                                                                                                              | 10.568                             | Not available                                               |                                              | 12,503                                    |
| Emergency Food Assistance Program (Food Commodities -<br>Non-Cash)                                                                                                                                     | 10.569                             | Not available                                               |                                              | 467,815                                   |
| Total Food Distribution Cluster                                                                                                                                                                        |                                    |                                                             |                                              | 1,075,681                                 |
| <b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>                                                                                                                                                            |                                    |                                                             |                                              | <b>3,058,305</b>                          |
| <b><u>U.S. DEPARTMENT OF HOUSING AND<br/>URBAN DEVELOPMENT</u></b>                                                                                                                                     |                                    |                                                             |                                              |                                           |
| Passed through Colorado Department of Local Affairs -<br>Emergency Shelter Grants Program                                                                                                              | 14.231                             | H5ESG14932                                                  |                                              | 27,866                                    |
| Community Development Block Grant                                                                                                                                                                      | 14.218                             | F15CDB14594                                                 |                                              | 110,200                                   |
| Passed through City of Pueblo, Colorado -<br>Community Development Block Grant                                                                                                                         | 14.218                             | CD1310, F09CDB09084                                         |                                              | 45,000                                    |
| Home Investment Partnership Program                                                                                                                                                                    | 14.239                             | Not available                                               |                                              | 11,233                                    |
| <b>TOTAL U.S. DEPARTMENT OF HOUSING<br/>AND URBAN DEVELOPMENT</b>                                                                                                                                      |                                    |                                                             |                                              | <b>194,299</b>                            |
| <b><u>U.S. DEPARTMENT OF JUSTICE</u></b>                                                                                                                                                               |                                    |                                                             |                                              |                                           |
| Direct Assistance -<br>State Criminal Alien Assistance Program                                                                                                                                         | 16.606                             | -                                                           |                                              | 23,994                                    |
| Federal Forfeiture Funds                                                                                                                                                                               | 16.922                             | -                                                           |                                              | 64,799                                    |
| Passed through Colorado Department of Public Safety<br>Division of Criminal Justice -<br>Supervised Visitation, Safe Havens for Children                                                               | 16.527                             | 2009-CW-AX-K001                                             |                                              | 75,007                                    |
| Crime Victim Assistance (DA)                                                                                                                                                                           | 16.575                             | 2014-VA-GX-0002                                             |                                              | 33,410                                    |
| Crime Victim Assistance (Sheriff)                                                                                                                                                                      | 16.575                             | 14-VA-10-54                                                 |                                              | 56,133                                    |
| Violence Against Women Formula Grants                                                                                                                                                                  | 16.588                             | 2014-WF-AX-0016                                             |                                              | 39,933                                    |
| Edward Byrne Memorial Justice Assistance Grant                                                                                                                                                         | 16.738                             | 2015-MU-BX-0390                                             |                                              | 84,280                                    |
| <b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>                                                                                                                                                                |                                    |                                                             |                                              | <b>377,556</b>                            |

**PUEBLO COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)**  
**YEAR ENDED DECEMBER 31, 2016**

| <u>FEDERAL GRANTOR/PASS-THROUGH<br/>GRANTOR/PROGRAM OR CLUSTER TITLE</u>                     | <u>FEDERAL<br/>CFDA<br/>NUMBER</u> | <u>PASS-THROUGH<br/>ENTITY'S<br/>IDENTIFYING<br/>NUMBER</u> | <u>PASS-THROUGH<br/>TO<br/>SUBRECIPIENTS</u> | <u>FEDERAL<br/>EXPENDITURES</u> |
|----------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------|----------------------------------------------|---------------------------------|
| <b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>                                              |                                    |                                                             |                                              |                                 |
| Passed through Colorado Department of Transportation -                                       |                                    |                                                             |                                              |                                 |
| Highway Planning and Construction                                                            | 20.205                             | 15HA2 73574                                                 |                                              | 67,573                          |
|                                                                                              | 20.205                             | 16-HA2 XC 00063                                             |                                              | 316,894                         |
| <b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>                                               |                                    |                                                             |                                              | <b>384,467</b>                  |
| <b><u>U.S. DEPARTMENT OF ENERGY</u></b>                                                      |                                    |                                                             |                                              |                                 |
| Passed through Colorado Office of Energy Conservation -                                      |                                    |                                                             |                                              |                                 |
| State Energy Program                                                                         | 81.041                             | C900850 & C900895                                           |                                              | 521,969                         |
| Weatherization Assistance CIP                                                                | 81.042                             | C900850 & C900896                                           |                                              | 16,556                          |
| <b>TOTAL U.S. DEPARTMENT OF ENERGY</b>                                                       |                                    |                                                             |                                              | <b>538,525</b>                  |
| <b><u>U.S. DEPARTMENT OF HEALTH AND<br/>HUMAN SERVICES</u></b>                               |                                    |                                                             |                                              |                                 |
| Passed through Colorado Department of Human Services -                                       |                                    |                                                             |                                              |                                 |
| Special Programs for the Aging -                                                             |                                    |                                                             |                                              |                                 |
| Title VII - Chapter 3 - Programs for Prevention<br>of Elder Abuse, Neglect, and Exploitation | 93.041                             | Not available                                               |                                              | 2,278                           |
| Title VII - Chapter 2 - Long-Term Care Ombudsman<br>Services for Older Individuals           | 93.042                             | Not available                                               |                                              | 8,509                           |
| Title III, Part D - Disease Prevention and Health<br>Promotion Services                      | 93.043                             | Not available                                               | 14,310                                       | 14,310                          |
| Aging Cluster -                                                                              |                                    |                                                             |                                              |                                 |
| Title III, Part B - Grants for Supportive Services<br>and Senior Centers                     | 93.044                             | Not available                                               | 137,922                                      | 275,158                         |
| Title III, Part C - Nutrition Services                                                       | 93.045                             | Not available                                               | 382,635                                      | 382,635                         |
| Nutrition Services Incentive Program (USDA)                                                  | 93.053                             | Not available                                               | 102,106                                      | 102,106                         |
| Total Aging Cluster                                                                          |                                    |                                                             | 622,663                                      | 759,899                         |
| Title III, Part E - National Family Caregiver Support<br>Guardianship Assistance             | 93.052                             | Not available                                               | 77,301                                       | 77,301                          |
| Affordable Care Act-MIPPA                                                                    | 93.090                             | Not available                                               |                                              | 20,518                          |
| Temporary Assistance to Needy Families                                                       | 93.518                             | Not available                                               | 37,247                                       | 37,247                          |
| Title IV-D, Child Support Enforcement                                                        | 93.558                             | Not available                                               |                                              | 10,574,418                      |
| Low-Income Home Energy Assistance (DSS)                                                      | 93.563                             | Not available                                               |                                              | 1,839,572                       |
| Low-Income Home Energy Assistance (HHS)                                                      | 93.568                             | Not available                                               |                                              | 3,115,723                       |
|                                                                                              |                                    |                                                             |                                              | 160,852                         |
| Child Care Cluster -                                                                         |                                    |                                                             |                                              |                                 |
| Child Care & Development Block Grant                                                         | 93.575                             | Not available                                               |                                              | 782,819                         |
| Child Care Mandatory and Matching Funds of<br>the Child Care and Development Fund            | 93.596                             | L15CSBG37                                                   |                                              | 943,838                         |
| Total Child Care Cluster                                                                     |                                    |                                                             |                                              | 1,726,657                       |
| Child Welfare Services-State Grants Title IV-B                                               | 93.645                             | Not available                                               |                                              | 99,024                          |
| Foster Care - Title IV-E                                                                     | 93.658                             | Not available                                               |                                              | 2,731,654                       |
| Adoption Assistance                                                                          | 93.659                             | Not available                                               |                                              | 875,324                         |
| Social Services Block Grant - Title XX                                                       | 93.667                             | Not available                                               |                                              | 1,134,558                       |
| Chafee Foster Care Independence Program                                                      | 93.674                             | Not available                                               |                                              | 125,485                         |
| Title XIX, Medicaid Medical Assistance Program                                               | 93.778                             | Not available                                               |                                              | 2,206,290                       |

The accompanying notes are an integral part of this schedule.

**PUEBLO COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)**  
**YEAR ENDED DECEMBER 31, 2016**

| <u>FEDERAL GRANTOR/PASS-THROUGH<br/>GRANTOR/PROGRAM OR CLUSTER TITLE</u>                                                                                                         | <u>FEDERAL<br/>CFDA<br/>NUMBER</u> | <u>PASS-THROUGH<br/>ENTITY'S<br/>IDENTIFYING<br/>NUMBER</u>             | <u>PASS-THROUGH<br/>TO<br/>SUBRECIPIENTS</u> | <u>FEDERAL<br/>EXPENDITURES</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------------|----------------------------------------------|---------------------------------|
| <b><u>U.S. DEPARTMENT OF HEALTH AND<br/>HUMAN SERVICES (Cont'd)</u></b>                                                                                                          |                                    |                                                                         |                                              |                                 |
| Passed through Colorado Department of Health Care<br>Policy and Financing -<br>Medical Assistance Program (Healthy Communities<br>Outreach and Case Management Program)-2011 SEP | 93.778                             | Not available                                                           | 187,494                                      | 187,494                         |
| Single Entry Point, Medical Assistance Program                                                                                                                                   | 93.778                             | Not available                                                           |                                              | 937,913                         |
| Passed through Colorado Department of Local Affairs -<br><br>Community Services Block Grant                                                                                      | 93.569                             | Not available                                                           |                                              | 316,662                         |
| <b>TOTAL U.S. DEPARTMENT OF HEALTH<br/>AND HUMAN SERVICES</b>                                                                                                                    |                                    |                                                                         | <b><u>939,015</u></b>                        | <b><u>26,951,688</u></b>        |
| <b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>                                                                                                                               |                                    |                                                                         |                                              |                                 |
| Passed through Colorado Department of<br>Emergency Management -<br>Presidential Disaster Declaration Relief                                                                      | 97.036                             | FEMA-DR-4229-CO                                                         |                                              | 38,948                          |
| Chemical Stockpile Emergency Preparedness                                                                                                                                        | 97.040                             | 13CESP13PC &<br>14CSEP14PC &<br>12EM72252 &<br>11EM71B52 &<br>12EM71252 |                                              | 3,969,200                       |
| 2014 Homeland Security Grant                                                                                                                                                     | 97.067                             | 14SHS15SR                                                               |                                              | 26,251                          |
| 2015 Homeland Security Grant                                                                                                                                                     | 97.067                             | 15SH16SR                                                                |                                              | 113,313                         |
| 2016 Emergency Management Performance Grant                                                                                                                                      | 97.042                             | 15EM-16-52                                                              |                                              | 72,000                          |
| <b>TOTAL U.S. DEPARTMENT OF<br/>HOMELAND SECURITY</b>                                                                                                                            |                                    |                                                                         |                                              | <b><u>4,219,712</u></b>         |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                                                                                                                                      |                                    |                                                                         | <b><u>\$ 939,015</u></b>                     | <b><u>\$ 35,724,552</u></b>     |

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**PUEBLO COUNTY, COLORADO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2016**

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Pueblo County, Colorado (the County) under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - INDIRECT COST RATE**

The County has elected not to use the 10 percent *de minimus* indirect cost rate allowed under the Uniform Guidance.

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TERRY A HART  
CHAIR  
DISTRICT 1

SAL PACE  
CHAIR PRO TEM  
DISTRICT 3



GARRISON ORTIZ  
COMMISSIONER  
DISTRICT 2

AIMEE TIHOVICH  
BUDGET & FINANCE DIRECTOR

## BOARD OF PUEBLO COUNTY COMMISSIONERS

September 18, 2017

Re: Single Audit Finding Response

The following is the Corrective Action Plan (CAP) related to the noted finding.

### Corrective Action Plan (CAP)

|                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Agency:                                                                      | US Department of Justice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Audit Period:                                                                | December 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Audit Finding No.:                                                           | 2016-001                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Audit Finding Title:                                                         | Accrual of Expenditures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Specific Steps to be Taken:                                                  | The finance department reviews every accounts payable warrant after is created and before it is sent out. The department will continue to do this procedure to verify correct information including proper period recognition. Currently the Social Services fund creates their own warrants that are not recorded in the accounting system for the finance department to see and review. To correct this issue the finance department will begin the same review process as is done for accounts payable warrants. Also, all wire transfers will be evaluated by the finance department to ensure the expense is recognized in the correct period. |
| Anticipated Completion Date:                                                 | September 18, 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Name(s) and Title(s) of Contact Person(s) Responsible for Corrective Action: | Aimee Tihonovich, Budget & Finance Director and Sherri Crow, Controller                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

If you have any questions or comments please do not hesitate to contact me.

719-583-6541

[aimee.tihonovich@pueblocounty.us](mailto:aimee.tihonovich@pueblocounty.us)

*Aimee Tihonovich*

PUEBLO COUNTY COURTHOUSE  
215 W. 10TH ST., PUEBLO, CO 81003-2992  
(719) 583-4411  
FAX: (719) 583-4597  
[www.county.pueblo.org](http://www.county.pueblo.org)

TERRY A HART  
CHAIR  
DISTRICT 1

SAL PACE  
CHAIR PRO TEM  
DISTRICT 3



GARRISON ORTIZ  
COMMISSIONER  
DISTRICT 2

AIMEE TIHONOVICH  
BUDGET & FINANCE DIRECTOR

## BOARD OF PUEBLO COUNTY COMMISSIONERS

September 18, 2017

Re: Single Audit Finding Response

The following is the Corrective Action Plan (CAP) related to the noted finding.

### Corrective Action Plan (CAP)

|                                                                              |                                                                                                                                                                                                      |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Agency:                                                                      | US Department of Justice                                                                                                                                                                             |
| Audit Period                                                                 | December 2016                                                                                                                                                                                        |
| Audit Finding No.:                                                           | 2016-002                                                                                                                                                                                             |
| Audit Finding Title:                                                         | Earned Revenue                                                                                                                                                                                       |
| Specific Steps to be Taken:                                                  | Currently the finance department performs procedures to address proper period recognition of revenues. The finance department will broaden this procedure to include refunds issued to any agencies. |
| Anticipated Completion Date                                                  | September 18, 2017                                                                                                                                                                                   |
| Name(s) and Title(s) of Contact Person(s) Responsible for Corrective Action: | Aimee Tihonovich, Budget & Finance Director and Sherri Crow, Controller                                                                                                                              |
|                                                                              |                                                                                                                                                                                                      |

If you have any questions or comments please do not hesitate to contact me.

719-583-6541

[aimee.tihonovich@pueblocounty.us](mailto:aimee.tihonovich@pueblocounty.us)

*Aimee Tihonovich*

PUEBLO COUNTY COURTHOUSE  
215 W. 10TH ST., PUEBLO, CO 81003-2992  
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TERRY A HART  
CHAIR  
DISTRICT 1

SAL PACE  
CHAIR PRO TEM  
DISTRICT 3



GARRISON ORTIZ  
COMMISSIONER  
DISTRICT 2

TIM HART  
DIRECTOR

## DEPARTMENT OF SOCIAL SERVICES

August 25, 2017

RE: Single Audit Finding Response

The following is the Corrective Action Plan (CAP) related to the noted findings.

### Corrective Action Plan (CAP)

|                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Agency:</b>                                                               | <b>U.S. Department of Health and Human Services</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Audit Period:</b>                                                         | <b>2016</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Audit Finding No.</b>                                                     | <b>2016-003</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Audit Finding Title:</b>                                                  | <b>93.778-Meical Assistance Program</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Specific Steps to be taken:</b>                                           | <b>Technicians will be expected to adhere to the Adult Division Procedure Manual and Case File Maintenance procedure (attached) when processing and documenting eligibility cases at the Department of Social Services. Both detail the expectation that the documents used to determined eligibility should be contained in the case file. These documents will be reviewed at a unit meeting with the technicians and expectations will be made clear. The effectiveness of the training and written procedures will be evaluated during monthly case reviews.</b> |
| <b>Anticipated Completion Date:</b>                                          | <b>On-going</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Names and Titles of contact person responsible for corrective action:</b> | <b>Russell Guerrero, Adult Program Administrator and Leslie Rojas, Eligibility Technician Manager</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

If you should have any questions or comments. Please do not hesitate to contact me at [tim.hart@pueblocounty.us](mailto:tim.hart@pueblocounty.us) or by phone at 719-583-6962.

Sincerely,

Tim Hart  
Pueblo County DSS Director.

Mailing address: Pueblo County Department of Social Services 320 W.  
10<sup>th</sup> Street, Suite 207, Pueblo, CO 81003  
Physical Address: Pueblo County Department of Social Services  
Wells Fargo Bank Building, 201 W. 8<sup>th</sup> Street, Pueblo, CO 81003 (719-583-6160)  
<http://county.pueblo.org>