

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

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

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June 28, 2018



2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2017

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

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2017

**PREPARED BY:
FINANCE DEPARTMENT**

**PUEBLO WEST METROPOLITAN DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2017**

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INTRODUCTORY SECTION



PUEBLO WEST

Colorado

June 26, 2018

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

State law requires that every general-purpose local government publish a complete set of audited financial statements. This report is published to fulfill the requirement for the fiscal year ended December 31, 2017.

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

McPherson, Breyfogle, Daveline, and Goodrich, PC, Certified Public Accountants, have issued an unmodified opinion on the Pueblo West Metropolitan District's financial statements for the year ended December 31, 2017. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the Government

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

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

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

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

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

Local Economy

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

During the past ten years, the government's expenses related to providing the five basic services to the residents of Pueblo West have increased as the demand for services has increased, proportionate to the growth rate within the District.

During the same ten-year period, charges for both water and wastewater services have increased to meet the operational costs for both systems as well as meeting the growth related expansions of both facilities.

Long-term financial planning

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

Road improvements, including addressing the 56 miles of non-accepted Pueblo County roads, will continue to be a major goal as well as the maintenance of the existing 347+ miles of County accepted roads.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the

Pueblo West Metropolitan District for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was the eleventh consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Darrin K. Tangeman
District Manager



Tammy J. Nordyke
Finance Director



Government Finance Officers Association

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

Presented to

**Pueblo West Metropolitan District
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

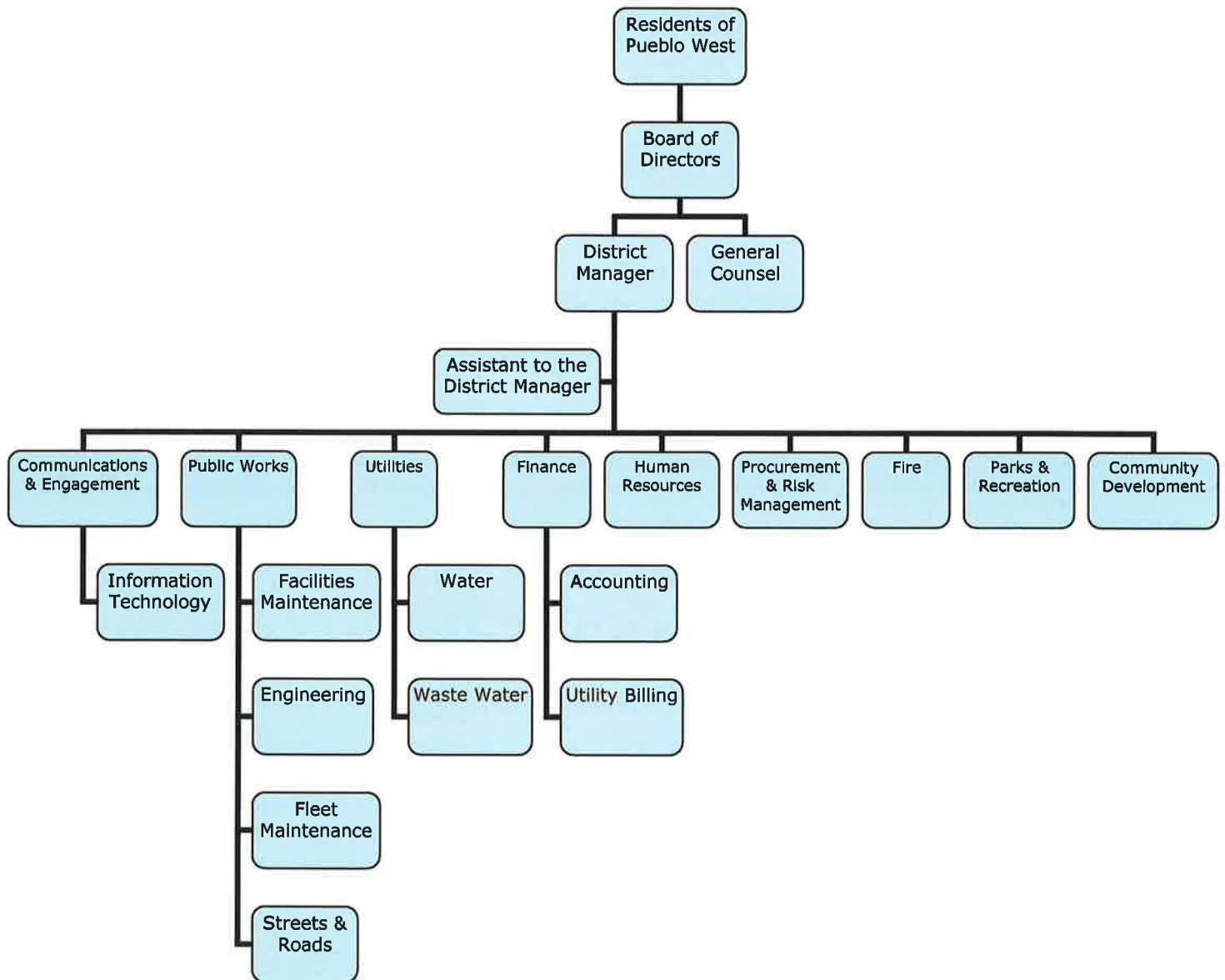
Christopher P. Morill

Executive Director/CEO



PUEBLO WEST

Colorado





PUEBLO WEST

Colorado

BOARD OF DIRECTORS

As of December 31, 2017

JUDY LEONARD

President

Term Expires May 2018

MICHAEL FRENCH

Vice President

Term Expires May 2020

TERRY ZUPAN

Secretary

Term Expires May 2020

BARBARA BERNARD

Treasurer

Term Expires May 2018

MARK CARMEL

Director

Term Expires May 2018

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Board of Directors
Pueblo West Metropolitan District
Pueblo West, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the internal service fund type of Pueblo West Metropolitan District (the District) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the internal service fund type as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Additional Information

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

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

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

McPherson, Braybrough, Dunham & Goodrich, PC

June 26, 2018

PUEBLO WEST METROPOLITAN DISTRICT, PUEBLO WEST, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

The discussion and analysis of the Pueblo West Metropolitan District's financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended December 31, 2017. It should be read in conjunction with the accompanying basic financial statements. This discussion and analysis includes a comparative analysis of government-wide data for year end 2016 and 2017.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Pueblo West Metropolitan District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ending December 31, 2017 by \$101,799,193 (net position). Of this amount, \$42,423,098 (unrestricted net position) may be used to meet the government's ongoing obligations to the residents and creditors.
- The Pueblo West Metropolitan District's total net position increased by \$3,506,650 for the year ended December 31, 2017.
- As of December 31, 2017, the Pueblo West Metropolitan District's governmental funds reported combined ending fund balances of \$4,348,579 an increase of \$793,948 during the year ended December 31, 2017.
- The total General Fund balance increased by \$755,843 for the fiscal year ended December 31, 2017.
- The District's total debt decreased by \$847,127 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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

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

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

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

Notes to the Financial Statements

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

THE DISTRICT AS A WHOLE – Government –Wide Financial Analysis

The District’s combined net position was \$101,799,193 as of December 31, 2017. Analyzing the net position and net expenses of governmental and business-type activities separately, the business type activities net position is \$85,168,481. This analysis focuses on the net position (table 1) and changes in general revenues (table 2) and significant expenses of the District’s governmental and business-type activities.

By far the largest portion of the District’s net position (58%) reflects its net investment in capital assets (e.g., land, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the District’s net investment in its capital assets is reported net of

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

Table 1
Summary of Net Position
At December 31, 2017

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$9,405,955	\$8,570,317	\$39,571,768	\$36,601,033	\$48,977,723	\$45,171,350
Capital Assets	12,673,641	12,481,082	54,135,751	55,281,074	66,809,392	67,762,156
Total Assets	\$22,079,596	\$21,051,399	\$93,707,519	\$91,882,107	\$115,787,115	\$112,933,506
Deferred outflows of resources	399,220	350,082	184,020	207,022	583,240	557,104
Long term liabilities outstanding	668,245	889,936	7,757,752	8,402,730	8,425,997	9,292,666
Other liabilities	591,194	456,979	965,306	848,859	1,556,500	1,305,838
Total liabilities	1,259,439	1,346,915	8,723,058	9,251,589	9,982,497	10,598,504
Deferred inflows of resources	4,588,665	4,599,563	-	-	4,588,665	4,599,563
Net position:						
Net investment in capital assets	12,085,136	11,713,622	46,614,012	47,114,165	58,699,148	58,827,787
Restricted for -						
Tabor	212,000	210,000	-	-	212,000	210,000
Parks and Recreation	464,947	418,685	-	-	464,947	418,685
Pension Related	0	3,484	-	-	0	3,484
Unrestricted	3,868,629	3,109,212	38,554,469	35,723,375	42,423,098	38,832,587
Total net position	\$16,630,712	\$15,455,003	\$85,168,481	\$82,837,540	\$101,799,193	\$98,292,543

Governmental Activities

The District's general revenues increased when compared to the prior year by 11.80% or \$607,014. The primary reason for this increase was due to an increase of \$220,839 in specific ownership and other taxes. The assessed value of the property in the District increased by \$7,895,977 or 3.5%, as compared to the prior year primarily due to new construction. Since the District does not levy a sales tax, overall tax revenue has not been affected due to local and national economic changes. The District is now able to levy an excise tax on the first transfer of recreational marijuana from a cultivation facility. We continue to see growth in our overall tax revenue. Interest income in 2017 increased by \$90,841 compared to 2016. This is due to higher interest rates earned and a stable investment portfolio.

Table 2
General Revenues

	2017	2016	Increase (Decrease)
Taxes	\$4,606,390	\$4,450,020	\$156,370
Specific Ownership and other taxes	770,662	549,823	\$220,839
Unrestricted investment earnings	65,395	34,891	30,504
Total general revenues	\$5,442,447	\$5,034,734	\$407,713

Governmental and Business type activities increased the District's net position by \$3,506,650. The key elements of this increase are as follows:

Table 3
Changes in Net Position

	Governmental Activities		Business type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for services	\$290,100	\$315,258	\$10,614,607	\$12,035,001	\$10,904,707	\$12,350,259
Operating grants and contributions	1,474,875	1,766,648	29,998	55,157	1,504,873	1,821,805
Capital grants and Contributions	959,621	24,012	2,307,139	1,407,917	3,266,760	1,431,929
General Revenues:						
Taxes	4,606,390	4,450,020	-	-	4,606,390	4,450,020
Specific Ownership and other taxes	770,662	549,823	-	-	770,662	549,823
Miscellaneous	94,960	14,791	58,795	-	153,755	14,791
Unrestricted investment earnings	65,395	34,891	152,330	91,993	217,225	126,884
Total Revenues	8,262,003	7,155,443	13,162,869	13,590,068	21,424,872	20,745,511
Expenses:						
General government	832,283	809,965	-	-	832,283	809,965
Fire protection	2,423,181	2,377,078	-	-	2,423,181	2,377,078
Streets and roads	1,799,271	2,626,296	-	-	1,799,271	2,626,296
Engineering	641,026	595,961	-	-	641,026	595,961
Parks and Recreation	1,030,512	986,251	-	-	1,030,512	986,251
Interest on long-term debt	12,343	12,683	-	-	12,343	12,683
Water	-	-	8,252,928	8,089,985	8,252,928	8,089,985
Wastewater	-	-	2,449,753	2,947,805	2,449,753	2,947,805
Community Development	-	-	387,802	342,210	387,802	342,210
Swimming Pool	-	-	89,123	103,471	89,123	103,471
Total Expenses	6,738,616	7,408,234	11,179,606	11,483,471	17,918,222	18,891,705
Increase/Decrease in net position before transfers	1,523,387	(252,791)	1,983,263	2,106,597	3,506,650	1,853,806
Transfers	(347,678)	135,271	347,678	-135,271	0	-
Increase/Decrease in net position	1,175,709	(117,520)	2,330,941	1,971,326	3,506,650	1,853,806
Net Position, January 1	15,455,003	15,572,523	82,837,540	80,866,214	98,292,543	96,438,737
Net Position, December 31	\$16,630,712	\$15,455,003	\$85,168,481	\$82,837,540	\$101,799,193	\$98,292,543

The most significant governmental expenses for the District were in providing for public works, which incurred expenses of \$2,440,297. These expenses were offset by revenues collected from different sources, with the largest being from Highway Users Tax Fund (HUTF), which are \$1,456,092. The major component of public works is the Streets and Roads department. During 2017 the public works division graded 28 miles of gravel

road, repaired over 700 potholes, as well as maintained over 208 miles of paved roadways and 180 miles of gravel roadways.

Other significant governmental expenses for the District include in providing for fire protection. During fiscal year 2017 expenses of \$2,423,181 were incurred in this area which is funded primarily through property tax revenue. During 2017 the fire department responded to 3,603 calls for service. Of these calls nearly 65% were emergency medical calls. Excluding capital items, approximately 71% of the fire department budget is used for personnel costs.

Business-type activities

Revenues of the District's business-type activities were \$10,614,607 for the fiscal year ending December 31, 2017. Expenses excluding transfers for the District's business-type activities were \$11,179,606, resulting in an increase of net position of \$2,330,941. The change in net position is the result of several factors, including the following:

- The District's water department recorded charges for services of \$7,566,127, \$29,998 in operating grants and contributions and cash capital contributions of \$2,091,530 which represents plant investment fees. Excluding the cash capital contributions, the water department expenses of \$8,252,928 exceeded charges for services of \$7,566,127 by \$686,801. This was primarily due to an increase in capital expenditures. Plant investment fees are increasing as the building industry continues to expand. The most significant capital expenditure by the water department included \$1,023,527 for the replacement of the 24" suction line that supplies the District with source water. This asset went into service at the beginning of 2017.
- The District's wastewater department recorded charges for services of \$2,841,103 and cash capital contributions of \$215,609 which also represents plant investment fees. The wastewater department charges for service of \$2,841,103 exceeded expenses of \$2,449,753 by \$391,350. The significant capital improvements for 2017 included the design and engineering for three major projects to be completed in 2018. Operating revenue was able to cover operating expenses for the seventh year in a row. This is directly related to the significant rate increase that went into effect in January of 2011. We are anticipating that this will become the norm and not a trend we are seeing.
- The District's community development department recorded charges for services of \$171,377 and no capital contributions. The expenses of \$387,802 exceeded charges for services of \$171,377 by \$216,425. The most significant expenses of the community development department continue to be salaries and benefits.
- The District's swimming pool recorded expenses of \$89,123 which exceeded charges for services of \$36,000 by \$53,123. The most significant expenses of the swimming pool included personnel expenses and natural gas for the heating of the

outdoor swimming pool. Operating costs continue to increase due to increasing costs of utilities and chemicals.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2017, the District had \$66,809,391 invested in a broad range of capital assets, including fire equipment, buildings, parks facilities, roads, water rights, and water and sewer lines. (See Table 4 below.) This amount represents a net decrease (including additions and deductions) of \$952,764 or 1.4 percent over the prior fiscal year.

The decrease in capital assets is attributed primarily to accumulated depreciation. The District added over \$3.2 million in capital assets during fiscal year ending December 31, 2017. The District purchased a fleet vehicle, a front end loader, leak detection equipment, a Huber step screen as well as started construction on numerous trails and projects throughout the community. The District completed the replacement of the 24" suction line that supplies the District with source water.

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

Table 4
Capital Assets
Net of Depreciation

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
Land	\$3,633,625	\$3,633,625	\$237,526	\$246,693	\$3,871,151	\$3,880,318
Water rights	-	-	12,916,318	12,916,318	12,916,318	12,916,318
Construction in progress	554,629	999,724	1,721,583	2,440,581	2,276,212	3,440,305
SDS	-	-	5,659,161	5,487,671	5,659,161	5,487,671
Buildings	2,669,286	2,582,748	11,021,377	9,997,826	13,690,663	12,580,574
Improvements	2,854,893	3,041,816	-	-	2,854,893	3,041,816
Infrastructure	119,266	105,981	19,119,912	18,545,968	19,239,178	18,651,949
Machinery & equipment	2,649,383	2,309,747	4,605,196	4,500,693	7,254,579	6,810,440
Totals	\$12,481,082	\$12,673,641	\$55,281,073	\$54,135,750	\$67,762,155	\$66,809,391

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

Tract 220 Force Main Sewer Line	\$179,450
Huber Step Screen	138,240
2017 Chevrolet Traverse	26,387
2017 John Deere 544 Front End Loader	151,900
24" Suction Line	1,023,527
Lift Station #2 Overflow Basin	337,135
East/West Tap 1 Trail	519,359
McCulloch North Trail	27,319
McCulloch Main Trail Phase III	317,652
Total	<u>\$2,720,969</u>

The District's fiscal year 2018 capital budget calls for it to spend over \$23 million for capital projects. The estimated capital expenditures for parks and recreation are \$1,570,300 for the extension and creation of walking/biking trails. The estimated capital expenditures for water department are \$10,473,666 and includes \$4,300,000 for phase I construction of the Wildhorse pipeline. The water department is also budgeting \$60,000 towards shared costs for the Southern Delivery System. The estimated capital expenditures for the waste water department are \$9,762,333 and includes \$1,300,000 for the construction of lift station overflow retention basin and \$7,303,000 for the construction of the States Avenue force main sewer line.

Debt

At year-end, the District had \$9,141,392 in long-term debt as compared to \$9,593,995 at the end of the prior fiscal year, a decrease of approximately 5% as shown in Table 5. For additional information relating to the outstanding debt of the District please refer to note III E in the notes to the financial statements.

Table 5
Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
Capital leases	\$767,460	\$588,505	\$ -	\$ -	\$767,460	\$588,505
Revenue bonds (backed by fee revenues)	-	-	8,373,932	7,705,760	8,373,932	7,705,760
Totals	\$767,460	\$588,505	\$8,373,932	\$7,705,760	\$9,593,995	\$8,294,265

THE DISTRICT'S FUNDS

At the close of the District's fiscal year on December 31, 2017, the governmental funds of the district reported a combined fund balance of \$4,348,579. This ending fund balance includes an increase of \$793,948 for the District's governmental funds. The primary reason was increased tax revenue, one time revenues and decreased spending. In addition these other changes in fund balances should be noted:

- The District's general fund balance of \$3,727,870 increased by \$755,843 from prior year fund balance. This was primarily due to increased revenues.
- The District's capital project fund balance of \$134,046 decreased by \$9,991 from prior year fund balance. This was due to the completion of various capital projects.
- The District's conservation trust fund balance of \$464,947 increased by \$46,262 from prior year fund balance. This was primarily due to increased revenues.

General Fund Budgetary Highlights

During fiscal year 2017, no budget amendment was made for the General Fund.

For fiscal year 2017, actual expenditures on a budgetary basis were \$6,527,004 as compared to the budget amount of \$7,011,548. The \$484,544 positive variance was due to savings achieved through a series of expenditure reductions.

For fiscal year 2017, actual revenues on a budgetary basis were \$7,282,847 as compared to the budget amount of \$7,011,548. The majority of the \$271,299 positive variance was due to an increase in collections of specific ownership taxes and other taxes.

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

The District's elected officials consider many factors when setting the fiscal year 2018 budget, mill levy, and fees that will be charged for the business-type activities. The mill levy is determined by utilizing the Pueblo County Assessor's assessed valuation of property within the boundaries of the District tied to cost of living as determined by the Denver-Boulder-Greeley CPI and then comparing that amount to the Gallagher Act (5.5%) and TABOR.

The General Fund's largest single revenue source is property taxes. The property tax rate for FY 2018 is \$0.20193 per \$1,000 valuation. Of this tax rate, 100% is utilized for General Fund activities. The estimated property tax revenue for FY 2018 is \$4,749,852.

The largest revenue source for the water fund is metered sales to general customers, estimated at \$7,449,784 based on three tier water rates. The second largest revenue source for the water fund is plant investment fees (PIF), estimated at \$1,108,200. The PIF for FY 2018 varies by meter size, charges range from \$11,082 to \$121,329, the majority being collected at the rate of \$11,082. This rate increased in September 2017.

The largest revenue source for the waste water fund is for sewer usage fees, estimated at \$2,908,469 based on rates per 1,000 gallons. The second largest revenue source for the waste water fund is plant investment fee (PIF), estimated at \$136,080. The PIF for FY 2018 varies by meter size, charges range from \$6,804 to \$71,234, the majority being collected at the rate of \$6,804. This rate increased in September 2017.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,191,739	\$ 5,076,371	\$ 12,268,110
Restricted certificates of deposit	-	320,000	320,000
Certificates of deposit	8,767,473	-	8,767,473
Investments	10,749,928	-	10,749,928
Receivables	5,114,514	6,850,618	11,965,132
Internal balances	(22,426,021)	22,426,021	-
Inventories	-	4,441,758	4,441,758
Other assets	8,322	457,000	465,322
Capital assets -			
Land, intangibles and construction in progress	4,633,349	15,603,592	20,236,941
Other capital assets, net of depreciation	8,040,292	38,532,159	46,572,451
Total capital assets	<u>12,673,641</u>	<u>54,135,751</u>	<u>66,809,392</u>
TOTAL ASSETS	<u>22,079,596</u>	<u>93,707,519</u>	<u>115,787,115</u>
Deferred outflows of resources -			
Deferred amount on refunding	-	184,020	184,020
Pension related	399,220	-	399,220
	<u>399,220</u>	<u>184,020</u>	<u>583,240</u>
LIABILITIES			
Accounts payable and accrued expenses	519,216	965,306	1,484,522
Net pension liability	71,978	-	71,978
Long-term liabilities -			
Due within one year	226,060	703,571	929,631
Due in more than one year	442,185	7,054,181	7,496,366
Total liabilities	<u>1,259,439</u>	<u>8,723,058</u>	<u>9,982,497</u>
Deferred inflows of resources -			
Property taxes	4,585,004	-	4,585,004
Pension related	3,661	-	3,661
	<u>4,588,665</u>	<u>-</u>	<u>4,588,665</u>
NET POSITION			
Net investment in capital assets	12,085,136	46,614,012	58,699,148
Restricted for -			
Tabor	212,000	-	212,000
Parks and recreation	464,947	-	464,947
Unrestricted	<u>3,868,629</u>	<u>38,554,469</u>	<u>42,423,098</u>
TOTAL NET POSITION	<u>\$ 16,630,712</u>	<u>\$ 85,168,481</u>	<u>\$ 101,799,193</u>

The accompanying notes are an integral part of this statement.

**PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities -				
General government	\$ 832,283	\$ 131,710	\$ -	\$ -
Fire protection	2,423,181	32,433	2,275	37,512
Streets and roads	1,799,271	-	1,456,092	-
Engineering	641,026	-	-	-
Parks and recreation	1,030,512	125,957	16,508	922,109
Interest on long-term debt	12,343	-	-	-
Total governmental activities	<u>6,738,616</u>	<u>290,100</u>	<u>1,474,875</u>	<u>959,621</u>
Business-type activities -				
Water	8,252,928	7,566,127	29,998	2,091,530
Wastewater	2,449,753	2,841,103	-	215,609
Community development	387,802	171,377	-	-
Swimming pool	89,123	36,000	-	-
Total business-type activities	<u>11,179,606</u>	<u>10,614,607</u>	<u>29,998</u>	<u>2,307,139</u>
TOTAL	<u>\$ 17,918,222</u>	<u>\$ 10,904,707</u>	<u>\$ 1,504,873</u>	<u>\$ 3,266,760</u>
General revenues -				
Taxes -				
Property taxes				
Specific ownership and other taxes				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - January 1				
Net position - December 31				

The accompanying notes are an integral part of this statement.

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

Governmental Activities	Business-Type Activities	Total
\$ (700,573)	\$ -	\$ (700,573)
(2,350,961)	-	(2,350,961)
(343,179)	-	(343,179)
(641,026)	-	(641,026)
34,062	-	34,062
(12,343)	-	(12,343)
<u>(4,014,020)</u>	<u>-</u>	<u>(4,014,020)</u>
-	1,434,727	1,434,727
-	606,959	606,959
-	(216,425)	(216,425)
-	(53,123)	(53,123)
<u>-</u>	<u>1,772,138</u>	<u>1,772,138</u>
<u>(4,014,020)</u>	<u>1,772,138</u>	<u>(2,241,882)</u>
4,606,390	-	4,606,390
770,662	-	770,662
65,395	152,330	217,725
94,960	58,795	153,755
<u>(347,678)</u>	<u>347,678</u>	<u>-</u>
<u>5,189,729</u>	<u>558,803</u>	<u>5,748,532</u>
1,175,709	2,330,941	3,506,650
<u>15,455,003</u>	<u>82,837,540</u>	<u>98,292,543</u>
<u>\$ 16,630,712</u>	<u>\$ 85,168,481</u>	<u>\$ 101,799,193</u>

**PUEBLO WEST METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	General Fund	Conservation Trust Fund	Parks Donation Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,191,739	\$ -	\$ -	\$ -	\$ 7,191,739
Certificates of deposit	8,767,473	-	-	-	8,767,473
Investments	10,749,928	-	-	-	10,749,928
Accrued interest receivable	15,963	-	-	-	15,963
Taxes receivable	4,674,947	-	-	-	4,674,947
Due from other funds	126,268	472,407	25,084	-	623,759
Receivable from other governments	113,610	-	-	304,087	417,697
Other receivables	5,607	-	300	-	5,907
Prepaid items	8,322	-	-	-	8,322
TOTAL ASSETS	<u>\$31,653,857</u>	<u>\$ 472,407</u>	<u>\$ 25,384</u>	<u>\$ 304,087</u>	<u>\$ 32,455,735</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 352,217	\$ 7,460	\$ 3,668	\$ 43,773	\$ 407,118
Accrued liabilities	62,031	-	-	-	62,031
Due to other funds	22,926,735	-	-	126,268	23,053,003
TOTAL LIABILITIES	<u>23,340,983</u>	<u>7,460</u>	<u>3,668</u>	<u>170,041</u>	<u>23,522,152</u>
Deferred inflows of resources -					
Property taxes	4,585,004	-	-	-	4,585,004
FUND BALANCES					
Nonspendable	8,322	-	-	-	8,322
Restricted	212,000	464,947	-	-	676,947
Committed	-	-	21,716	-	21,716
Assigned	287,645	-	-	134,046	421,691
Unassigned	3,219,903	-	-	-	3,219,903
TOTAL FUND BALANCES	<u>3,727,870</u>	<u>464,947</u>	<u>21,716</u>	<u>134,046</u>	<u>4,348,579</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$31,653,857</u>	<u>\$ 472,407</u>	<u>\$ 25,384</u>	<u>\$ 304,087</u>	<u>\$ 32,455,735</u>

The accompanying notes are an integral part of this statement.

**PUEBLO WEST METROPOLITAN DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017**

Amounts reported for governmental activities are different because:

Total fund balances - governmental funds	\$ 4,348,579
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Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds

The cost of capital assets is	\$ 20,040,633	
Accumulated depreciation is	<u>(7,485,460)</u>	12,555,173

Recognition and measurement of the net pension liability, together with pension-related deferred outflows of resources and deferred inflows of resources in financial statements prepared using the economic resources measurement focus and the accrual basis of accounting are not financial resources and, therefore, are not reported in governmental funds

Net pension liability	(71,978)	
Deferred outflows of resources	399,220	
Deferred inflows of resources	<u>(3,661)</u>	323,581

An internal service fund is used by the District's management to charge the cost of fleet and facility maintenance and information technology to individual departments. The assets and liabilities of the internal service fund is included with governmental activities in the statement of net position

Net position of internal service fund	124,267	
Cumulative portion of internal service fund net operating income attributed to business-type activities	<u>(60,793)</u>	63,474

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consists of:

Obligation under capital lease	(588,505)	
Compensated absences	<u>(71,590)</u>	<u>(660,095)</u>

Total net position - governmental activities	<u>\$ 16,630,712</u>
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The accompanying notes are an integral part of this statement.

PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017

	General Fund	Conservation Trust Fund	Parks Donation Fund	Capital Projects Fund	Total Governmental Funds
REVENUES					
Property taxes	\$ 4,606,390	\$ -	\$ -	\$ -	\$ 4,606,390
Specific ownership taxes	444,785	-	-	-	444,785
Highway users tax	1,456,092	-	-	-	1,456,092
Franchise taxes	146,570	-	-	-	146,570
Other taxes	179,307	-	-	-	179,307
Intergovernmental	3,375	321,002	-	601,107	925,484
Charges for services	290,100	-	-	-	290,100
Investment earnings	62,368	3,027	-	-	65,395
Other	11,535	-	16,508	-	28,043
TOTAL REVENUES	7,200,522	324,029	16,508	601,107	8,142,166
EXPENDITURES					
Current -					
Streets and roads	1,664,278	-	-	-	1,664,278
Fire protection	2,162,887	-	-	-	2,162,887
Engineering	620,304	-	-	-	620,304
Parks and recreation	747,237	11,866	14,674	-	773,777
Administration	793,322	-	-	-	793,322
Debt service -					
Principal	178,955	-	-	-	178,955
Interest	12,343	-	-	-	12,343
Capital outlay	-	265,901	-	611,098	876,999
TOTAL EXPENDITURES	6,179,326	277,767	14,674	611,098	7,082,865
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,021,196	46,262	1,834	(9,991)	1,059,301
OTHER FINANCING SOURCES (USES)					
Insurance recovery	82,325	-	-	-	82,325
Transfers out	(347,678)	-	-	-	(347,678)
TOTAL OTHER FINANCING SOURCES (USES)	(265,353)	-	-	-	(265,353)
CHANGE IN FUND BALANCES	755,843	46,262	1,834	(9,991)	793,948
FUND BALANCES, January 1	2,972,027	418,685	19,882	144,037	3,554,631
FUND BALANCES, December 31	\$ 3,727,870	\$ 464,947	\$ 21,716	\$ 134,046	\$ 4,348,579

The accompanying notes are an integral part of this statement.

**PUEBLO WEST METROPOLITAN DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

Amounts reported for governmental activities are different because:

Total net change in fund balances - governmental funds	\$ 793,948
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Capital outlays are reported in governmental funds as expenditures. However, for governmental activities these costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense.

Capital outlay	\$ 876,999	
Depreciation expense	<u>(694,881)</u>	182,118

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

37,512

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

Pension expense	(111,810)	
Pension expenditures	<u>85,939</u>	(25,871)

The accompanying notes are an integral part of this statement.

**PUEBLO WEST METROPOLITAN DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES (Cont'd.)
YEAR ENDED DECEMBER 31, 2017**

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

Principal payments on capital lease obligation	\$	178,955
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An internal service fund is used by the District to charge the cost of fleet and facility maintenance and information technology to individual departments. The net revenue (expense) of the internal service fund is reported with governmental activities

Net operating income from internal service fund	\$	15,125
Net operating income attributed to business-type activities		(6,882) 8,243

In the statement of activities, certain operating expenses such as compensated absences (vacation and sick leave) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amounts actually paid. This year compensated absences earned (\$326,798) were less than amounts paid (\$327,602)

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Change in net position - governmental activities	\$	1,175,709
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The accompanying notes are an integral part of this statement.

PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Community</u>
	<u>Fund</u>	<u>Fund</u>	<u>Development</u>
			<u>Fund</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 5,076,371	\$ -	\$ -
Restricted certificates of deposit	-	320,000	-
Accounts receivable, net	648,670	425,255	-
Due from other funds	15,668,574	6,004,564	679,589
Inventories	189,112	2,974	4,249,672
TOTAL CURRENT ASSETS	<u>21,582,727</u>	<u>6,752,793</u>	<u>4,929,261</u>
NONCURRENT ASSETS			
Capital assets -			
Land	187,156	46,850	-
Buildings and improvements	616,394	15,823,170	-
Treatment plant	11,222,056	-	-
Sources of supply	8,584,650	-	-
Collection, transmission and distribution system	35,687,089	12,750,878	-
Storage system	2,642,403	-	-
Equipment	6,339,616	1,374,756	32,412
Pool	-	-	-
Water rights	12,916,318	-	-
Southern delivery system	5,830,651	-	-
Accumulated depreciation	(42,692,136)	(19,770,896)	(32,412)
Construction in progress	1,516,334	924,247	-
Total capital assets	<u>42,850,531</u>	<u>11,149,005</u>	<u>-</u>
Other assets -			
Notes receivable	5,776,693	-	-
Option to acquire land	457,000	-	-
Total other assets	<u>6,233,693</u>	<u>-</u>	<u>-</u>
TOTAL NONCURRENT ASSETS	<u>49,084,224</u>	<u>11,149,005</u>	<u>-</u>
TOTAL ASSETS	<u>70,666,951</u>	<u>17,901,798</u>	<u>4,929,261</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred amount on refunding	<u>184,020</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of this statement.

Business-Type Activities Enterprise Funds		Governmental Activities
Swimming Pool Fund	Total	Internal Service Fund
\$ -	\$ 5,076,371	\$ -
-	320,000	-
-	1,073,925	-
12,501	22,365,228	64,017
-	4,441,758	-
<u>12,501</u>	<u>33,277,282</u>	<u>64,017</u>
12,687	246,693	-
80,241	16,519,805	-
-	11,222,056	-
-	8,584,650	-
-	48,437,967	-
-	2,642,403	-
48,525	7,795,309	460,124
508,363	508,363	-
-	12,916,318	-
-	5,830,651	-
(513,601)	(63,009,045)	(341,656)
-	2,440,581	-
<u>136,215</u>	<u>54,135,751</u>	<u>118,468</u>
-	5,776,693	-
-	457,000	-
-	6,233,693	-
<u>136,215</u>	<u>60,369,444</u>	<u>118,468</u>
<u>148,716</u>	<u>93,646,726</u>	<u>182,485</u>
-	184,020	-

PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF NET POSITION (Cont'd.)
PROPRIETARY FUNDS
DECEMBER 31, 2017

	Business-Type Activities - Enterprise Funds		
	Water Fund	Wastewater Fund	Community Development Fund
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	\$ 517,639	\$ 362,374	\$ 5,285
Accrued payroll	29,508	9,836	3,399
Accrued compensated absences	21,047	7,016	535
Accrued interest payable	3,065	3,356	-
Bonds payable	435,000	239,973	-
TOTAL CURRENT LIABILITIES	<u>1,006,259</u>	<u>652,555</u>	<u>9,219</u>
NONCURRENT LIABILITIES			
Accrued compensated absences	17,219	5,739	437
Bonds and notes payable (net of unamortized bond premium)	3,265,000	3,765,786	-
TOTAL NONCURRENT LIABILITIES	<u>3,282,219</u>	<u>3,771,525</u>	<u>437</u>
TOTAL LIABILITIES	<u>4,288,478</u>	<u>4,424,080</u>	<u>9,656</u>
NET POSITION			
Net investment in capital assets	39,334,551	7,143,246	-
Unrestricted	27,227,942	6,334,472	4,919,605
TOTAL NET POSITION	<u>\$ 66,562,493</u>	<u>\$ 13,477,718</u>	<u>\$ 4,919,605</u>

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

The accompanying notes are an integral part of this statement.

Business-Type Activities Enterprise Funds		Governmental Activities
Swimming Pool Fund	Total	Internal Service Fund
\$ 844	\$ 886,142	\$ 44,156
-	42,743	5,912
-	28,598	4,483
-	36,421	-
-	674,973	-
<u>844</u>	<u>1,668,877</u>	<u>54,551</u>
-	23,395	3,667
-	7,030,786	-
-	7,054,181	3,667
<u>844</u>	<u>8,723,058</u>	<u>58,218</u>
136,215	46,614,012	118,468
<u>11,657</u>	<u>38,493,676</u>	<u>5,799</u>
<u>\$ 147,872</u>	<u>85,107,688</u>	<u>\$ 124,267</u>
	<u>60,793</u>	
	<u>\$ 85,168,481</u>	

PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Community</u>
	<u>Fund</u>	<u>Fund</u>	<u>Development</u>
			<u>Fund</u>
OPERATING REVENUES			
Charges for services	\$ 7,291,908	\$ 2,798,796	\$ 171,127
Tap connection fees	248,432	42,126	-
Water lease and other	25,787	181	250
TOTAL OPERATING REVENUES	<u>7,566,127</u>	<u>2,841,103</u>	<u>171,377</u>
OPERATING EXPENSES			
Salaries	1,514,338	523,780	162,773
Payroll taxes	108,228	37,437	11,500
Pension and benefits	351,328	116,971	44,913
Parts and supplies	756,283	164,454	1,679
Repairs and maintenance	381,437	100,540	40,489
Cost of sales	-	-	69,266
Uniforms and safety	17,561	5,780	-
Training, education and travel	15,418	6,163	4,997
Legal expense	71,704	-	1,735
Outside services	772,348	189,728	30,209
Insurance	47,923	18,169	5,804
Utilities	1,081,748	160,266	8,966
Lease and rental	8,102	641	1,734
Water assessment	568,942	-	-
Depreciation	2,399,391	1,030,434	-
Office expenses	61,646	23,830	4,433
TOTAL OPERATING EXPENSES	<u>8,156,397</u>	<u>2,378,193</u>	<u>388,498</u>
OPERATING INCOME (LOSS)	<u>(590,270)</u>	<u>462,910</u>	<u>(217,121)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	134,171	18,159	-
Interest and fiscal charges	(100,912)	(73,288)	-
Insurance recovery	58,795	-	-
Operating grant	29,998	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>122,052</u>	<u>(55,129)</u>	<u>-</u>

The accompanying notes are an integral part of this statement.

Business-Type Activities Enterprise Funds		Governmental Activities
Swimming Pool Fund	Total	Internal Service Fund
\$ 36,000	\$ 10,297,831	\$ 879,808
-	290,558	-
-	26,218	265
<u>36,000</u>	<u>10,614,607</u>	<u>880,073</u>
31,857	2,232,748	406,510
2,437	159,602	32,592
96	513,308	116,796
11,280	933,696	44,151
4,490	526,956	10,930
-	69,266	-
1,391	24,732	4,428
35	26,613	12,303
-	73,439	-
3,458	995,743	121,334
2,767	74,663	8,050
15,438	1,266,418	20,147
-	10,477	1,598
-	568,942	-
15,753	3,445,578	40,311
198	90,107	45,798
<u>89,200</u>	<u>11,012,288</u>	<u>864,948</u>
<u>(53,200)</u>	<u>(397,681)</u>	<u>15,125</u>
-	152,330	-
-	(174,200)	-
-	58,795	-
-	29,998	-
<u>-</u>	<u>66,923</u>	<u>-</u>

PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (Cont'd.)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Community Development Fund</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(468,218)	407,781	(217,121)
Capital contributions	2,091,530	215,609	-
Transfers in	<u>303,978</u>	<u>-</u>	<u>-</u>
CHANGES IN NET POSITION	1,927,290	623,390	(217,121)
TOTAL NET POSITION, January 1	<u>64,635,203</u>	<u>12,854,328</u>	<u>5,136,726</u>
TOTAL NET POSITION, December 31	<u>\$ 66,562,493</u>	<u>\$ 13,477,718</u>	<u>\$ 4,919,605</u>
Operating income from internal service fund attributed to business-type activities			
Change in net position			

The accompanying notes are an integral part of this statement.

Business-Type Activities Enterprise Funds		Governmental Activities
Swimming Pool Fund	Total	Internal Service Fund
(53,200)	(330,758)	15,125
-	2,307,139	-
43,700	347,678	-
(9,500)	2,324,059	15,125
157,372		109,142
\$ 147,872		\$ 124,267
	6,882	
	\$ 2,330,941	

PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Community Development Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 7,650,310	\$ 2,810,905	\$ 177,272
Cash paid for goods and services	(4,458,296)	(608,642)	(158,936)
Cash paid to employees	(1,492,765)	(516,979)	(163,900)
Receipts for interfund services	-	-	145,564
Payments for interfund services	<u>(2,121,479)</u>	<u>(827,946)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(422,230)</u>	<u>857,338</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	303,978	-	-
Operating grant/other cash receipts	<u>88,793</u>	<u>-</u>	<u>-</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>392,771</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	2,091,530	215,609	-
Acquisition and construction of capital assets	(1,389,001)	(773,013)	-
Principal paid on bonds and notes payable	(425,000)	(234,120)	-
Interest and fiscal charges paid on bonds and notes payable	(78,263)	(83,973)	-
Acquisition of notes receivable	<u>(303,978)</u>	<u>-</u>	<u>-</u>
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(104,712)</u>	<u>(875,497)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of certificate of deposit	-	(320,000)	-
Maturity of certificates of deposit	-	320,000	-
Investment earnings	<u>134,171</u>	<u>18,159</u>	<u>-</u>
NET CASH PROVIDED BY (USED) IN INVESTING ACTIVITIES	<u>134,171</u>	<u>18,159</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,076,371</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,076,371</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Business-Type Activities Enterprise Funds		Governmental Activities
Swimming Pool Fund	Total	Internal Service Fund
\$ 36,000	\$ 10,674,487	\$ 880,073
(41,566)	(5,267,440)	(388,611)
(31,858)	(2,205,502)	(452,806)
-	145,564	-
(6,276)	(2,955,701)	(25,416)
(43,700)	391,408	13,240
43,700	347,678	-
-	88,793	-
43,700	436,471	-
-	2,307,139	-
-	(2,162,014)	(13,240)
-	(659,120)	-
-	(162,236)	-
-	(303,978)	-
-	(980,209)	-
-	(320,000)	-
-	320,000	-
-	152,330	-
-	152,330	-
-	-	-
-	5,076,371	-
\$ -	\$ 5,076,371	\$ -

Cont'd.

PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS (Cont'd.)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Community Development Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (590,270)	\$ 462,910	\$ (217,121)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities -			
Depreciation	2,399,391	1,030,434	-
Change in assets and liabilities -			
Accounts receivable	84,183	(30,198)	5,895
Due from general fund	(2,121,479)	(827,946)	145,564
Inventories	16,880	4,237	69,265
Accounts payable	(232,508)	211,100	(2,476)
Accrued expenses	<u>21,573</u>	<u>6,801</u>	<u>(1,127)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (422,230)</u>	<u>\$ 857,338</u>	<u>\$ -</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Acquisition of capital assets by accounts payable	<u>\$ -</u>	<u>\$ 138,240</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

<u>Business-Type Activities - Enterprise Funds</u>		<u>Governmental Activities</u>
<u>Swimming Pool Fund</u>	<u>Total</u>	<u>Internal Service Fund</u>
\$ (53,200)	\$ (397,681)	\$ 15,125
15,752	3,445,577	40,311
-	59,880	-
(6,276)	(2,810,137)	(25,416)
-	90,382	-
24	(23,860)	29,516
<u>-</u>	<u>27,247</u>	<u>(46,296)</u>
<u>\$ (43,700)</u>	<u>\$ 391,408</u>	<u>\$ 13,240</u>
<u>\$ -</u>	<u>\$ 138,240</u>	<u>\$ -</u>

PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

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

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

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

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

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

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

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

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

GOVERNMENTAL FUNDS

The District reports the following major governmental funds:

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

PROPRIETARY FUNDS

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

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

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

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

OTHER FUND TYPES

The District reports the following other fund types:

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

D. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include cash on hand, along with interest and non-interest bearing demand deposits. Investments include local government investment pools, negotiable certificates of deposit and money market mutual funds.

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

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

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

E. CASH EQUIVALENTS

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

F. PROPERTY TAX REVENUES

Property taxes were levied on December 15, 2017 based on the assessed value of property as certified by the County Assessor by the previous October 10. Assessed values are a percentage of actual values. A reevaluation of all property must be made every two years. The last reevaluation date was January 1, 2016 for the 2014 base year specified by state law.

The taxes levied on December 15, 2017 reflect 2017 property taxes that will be collected in 2018 by the Pueblo County Treasurer. Taxes collected by the Treasurer are remitted to the District on a monthly basis. These taxes are due January 2, 2018 and may be paid in two installments (February 28 and June 15) or they may be paid in full April 30. Taxes not paid in accordance with this schedule accrue interest and penalty charges and are subject to liens if not paid by November, 2018.

G. INTERFUND RECEIVABLES/PAYABLE

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. The due from general fund reflects individual fund claims on the cash, certificates of deposit, and investments of the general fund. In addition, investment revenue is allocated to certain funds based on their average claim outstanding.

H. INVENTORIES

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

I. PREPAID ITEMS

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

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

J. CAPITAL ASSETS

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed when material. During the year ended December 31, 2017, no interest was capitalized.

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

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

K. COMPENSATED ABSENCES

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

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

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

L. LONG-TERM LIABILITIES

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

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

M. PENSIONS

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

N. FUND EQUITY

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

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

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

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

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

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

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

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

O. INTERFUND TRANSACTIONS

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

P. ESTIMATES

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

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY PRINCIPLES

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

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

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution. The Board of Directors may amend the original adopted budget during the year by passing a new resolution to reflect current needs and during 2017 the expenditure estimates for certain but not all funds were amended.

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

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

III. DETAILED NOTES FOR ALL FUNDS

A. CASH, CERTIFICATES OF DEPOSIT AND INVESTMENTS

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

Cash on hand	\$ 1,225
Demand deposits	<u>12,266,885</u>
	<u>\$ 12,268,110</u>
Certificates of deposit, including restricted certificates of deposit totaling \$320,000	<u>\$ 9,087,473</u>
Investments –	
Money market mutual fund	\$ 3,756
Negotiable certificates of deposit	1,225,000
CSAFE local government investment pool	1,010,778
ColoTrust local government investment pool	<u>8,510,394</u>
	<u>\$ 10,749,928</u>

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

DEPOSITS

At December 31, 2017, the carrying amount of the District's deposits, including non-negotiable and other certificates of deposit, was \$22,579,358 and the bank balance was \$22,591,731. Of the bank balance, \$6,398,988 was covered by federal depository insurance and \$16,192,743 was collateralized in single financial institution collateral pools maintained by the individual financial institutions that hold these deposits. Colorado law requires that depository institutions must apply for and be designated as an eligible public depository before the institution can accept public fund monies. The depository institution must pledge eligible collateral as security for all public deposits held by that institution that are not insured by depository insurance. The market value of the collateral that each institution pledges as security must be equal to at least 102% of the total uninsured deposits held by that institution. Generally, the eligible collateral in the collateral pools is held by the depository institution or its agent in the name of the depository institution.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. At December 31, 2017, deposits with a bank balance of \$16,192,743 are uninsured but are not exposed to custodial credit risk because they are collateralized with securities held by the pledging financial institution's agent in the District's name.

INVESTMENTS

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

As of December 31, 2017, the District has the following investments and maturities:

<u>Investment Type</u>	Carrying Value Amortized Cost	Fair Value	Investment Maturity (in years) Less Than 1
Money market mutual fund	\$ -	\$ 3,756	\$ 3,756
CSAFE local government investment pool	1,010,778	1,010,778	1,010,778
ColoTrust local government investment pool	-	8,510,394	8,510,394
	<u>\$ 1,010,778</u>	<u>\$ 9,524,928</u>	<u>\$ 9,524,928</u>

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

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

Credit risk – State law provides that local government investment pools may only invest in securities in which all participating local governments may individually invest. The District has no investment policy that would further limit its investment choices. As of December 31, 2017, the District's investment in Colo Trust and CSAFE is rated AAAM by Standard and Poor's and Moody's.

The District categorizes, if applicable, its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The District's recurring fair value measurements as of December 31, 2017 consist of the District's Colo Trust and money market mutual fund holdings and are not subject to the fair value hierarchy disclosures as outlined under generally accepted accounting principles.

B. RECEIVABLES

Receivables at December 31, 2017 consist of the following

	<u>Governmental Activities</u>					
	<u>General</u>	<u>Conservation</u>	<u>Parks</u>	<u>Capital</u>	<u>Internal</u>	
	<u>Fund</u>	<u>Trust</u>	<u>Donation</u>	<u>Projects</u>	<u>Service</u>	<u>Total</u>
		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Taxes –						
Property	\$4,585,004	\$ -	\$ -	\$ -	\$ -	\$4,585,004
Specific						
ownership	36,634	-	-	-	-	36,634
Franchise	37,147	-	-	-	-	37,147
Marijuana	16,162	-	-	-	-	16,162
Interest	15,963	-	-	-	-	15,963
Accounts	5,607	-	-	-	-	5,607
Other governments	113,610	-	-	304,087	-	417,697
	<u>4,810,127</u>	<u>-</u>	<u>-</u>	<u>304,087</u>	<u>-</u>	<u>5,114,214</u>
Less: allowance						
for uncollectible						
accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$4,810,127</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 304,087</u>	<u>\$ -</u>	<u>\$5,114,214</u>

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

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

	Business-Type Activities				Total
	Water Fund	Wastewater Fund	Community Development Fund	Swimming Pool Fund	
Accounts	\$ 678,670	\$ 430,072	\$ -	\$ -	\$ 1,108,742
Notes	<u>5,776,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,776,693</u>
	6,455,363	430,072	-	-	6,885,435
Less: allowance for uncollectible accounts	<u>(30,000)</u>	<u>(4,817)</u>	<u>-</u>	<u>-</u>	<u>(34,817)</u>
	<u>\$ 6,425,363</u>	<u>\$ 425,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,850,618</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 5,776,693</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,776,693</u>

The notes receivable reported above are the result of an intergovernmental agreement with the County of Pueblo, Colorado (the County) related to the acquisition of and operation of Desert Hawk golf course at Pueblo West. The golf course is considered an activity of the County and, in accordance with the agreement, the District advanced \$1,450,000 towards the purchase of the golf course with \$170,000 of this advance considered a non-interest bearing loan and the remaining \$1,280,000 considered an irrevocable option to acquire the title to all or some of the additional properties identified in the agreement. Since finalizing the intergovernmental agreement with the County, the District has exercised its option to acquire certain of the identified properties totaling \$823,000, thus reducing the option balance to \$457,000 at December 31, 2017. This amount is reported with other assets in the government-wide statement of net position. The agreement also provides that the charges for untreated water provided by the District to the golf course until January 1, 2011 that are not covered by the annual revenues of the golf course shall be treated as non-interest bearing loans. The District is also required to annually advance, beginning in 2001, 50% of all cash disbursements in excess of revenues that will also be considered non-interest bearing loans. This provision was changed for the calendar year 2005 going forward such that the District would fund one-half of the annual debt service requirements, along with certain other modifications. Repayment of all of these notes and advances is solely from the excess revenues over cash disbursements of the golf course and is limited to \$500,000 per year.

A summary of the notes receivable/other assets under this agreement at December 31, 2017 is as follows:

Non-interest bearing note receivable for operating/debt service subsidy	\$ 4,241,865
Non-interest bearing note receivable for acquisition of capital assets/other items	255,000
Non-interest bearing note receivable for water provided	<u>1,279,828</u>
	5,776,693
Option to acquire land	<u>457,000</u>
	<u>\$ 6,233,693</u>

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

C. INTERFUND RECEIVABLES/PAYABLES/TRANSFERS

The following interfund receivables and payables are included in the fund financial statements at December 31, 2017:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental funds –		
General fund	\$ 126,268	\$ 22,926,735
Conservation trust	472,407	-
Parks donation fund	25,084	-
Capital projects fund	<u>-</u>	<u>126,269</u>
	<u>623,759</u>	<u>23,053,004</u>
Enterprise funds –		
Water fund		
Wastewater fund	15,668,574	-
Community development fund	6,004,564	-
Swimming pool fund	679,589	-
	<u>12,501</u>	<u>-</u>
	<u>22,365,228</u>	<u>-</u>
Internal service fund	<u>64,017</u>	<u>-</u>
	<u>\$ 23,053,004</u>	<u>\$ 23,053,004</u>

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

Transfers for the year ended December 31, 2017 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds –		
General fund	\$ -	\$ 347,678
Total governmental funds	<u>-</u>	<u>347,678</u>
Enterprise funds –		
Water fund	303,978	-
Swimming pool fund	43,700	-
Total enterprise funds	<u>347,678</u>	<u>-</u>
	<u>\$ 347,678</u>	<u>\$ 347,678</u>

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

The transfer of \$303,978 from the general fund to the water fund represents the effect of the debt service subsidy provided to the County under the intergovernmental agreement as described in Note III (B). The transfer of \$43,700 from the general fund to the swimming pool fund represents an operating subsidy.

D. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2017 was as follows:

	Balance January 1, <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2017</u>
Governmental activities –				
Nondepreciable assets –				
Land	\$ 3,633,625	\$ -	\$ -	\$ 3,633,625
Construction in progress	<u>554,629</u>	<u>864,329</u>	<u>(419,234)</u>	<u>999,724</u>
Total capital assets not being depreciated	<u>4,188,254</u>	<u>864,329</u>	<u>(419,234)</u>	<u>4,633,349</u>
Depreciable assets –				
Buildings	3,780,776	-	-	3,780,776
Improvements	4,110,710	431,904	-	4,542,614
Infrastructure	423,148	-	-	423,148
Machinery and equipment	<u>7,187,786</u>	<u>50,751</u>	<u>(117,667)</u>	<u>7,120,870</u>
Total capital assets being depreciated	<u>15,502,420</u>	<u>482,655</u>	<u>(117,667)</u>	<u>15,867,408</u>
Less: accumulated depreciation for –				
Buildings	(1,111,490)	(86,538)	-	(1,198,028)
Improvements	(1,255,817)	(244,981)	-	(1,500,798)
Infrastructure	(303,882)	(13,285)	-	(317,167)
Machinery and equipment	<u>(4,538,403)</u>	<u>(390,387)</u>	<u>117,667</u>	<u>(4,811,123)</u>
Total accumulated depreciation	<u>(7,209,592)</u>	<u>(735,191)</u>	<u>117,667</u>	<u>(7,827,116)</u>
Capital assets being depreciated, net	<u>8,292,828</u>	<u>(252,536)</u>	<u>-</u>	<u>8,040,292</u>
Total governmental activities capital assets, net	<u>\$ 12,481,082</u>	<u>\$ 611,793</u>	<u>\$ (419,234)</u>	<u>\$ 12,673,641</u>

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

	Balance January 1, <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2017</u>
Business-type activities –				
Nondepreciable assets –				
Land	\$ 237,526	\$ 9,167	\$ -	\$ 246,693
Construction in progress	1,721,583	892,059	(173,061)	2,440,581
Intangible assets –				
Water rights	<u>12,916,318</u>	<u>-</u>	<u>-</u>	<u>12,916,318</u>
Total capital assets not being depreciated	<u>14,875,427</u>	<u>901,226</u>	<u>(173,061)</u>	<u>15,603,592</u>
Depreciable assets –				
Buildings	28,240,074	10,150	-	28,250,224
Infrastructure	58,392,979	1,272,040	-	59,665,019
Machinery and equipment	7,505,410	289,899	-	7,795,309
Intangible asset –				
Southern delivery system	<u>5,830,651</u>	<u>-</u>	<u>-</u>	<u>5,830,651</u>
Total capital assets being depreciated	<u>99,969,114</u>	<u>1,572,089</u>	<u>-</u>	<u>101,541,203</u>
Less: accumulated depreciation for –				
Buildings	(17,218,697)	(1,033,701)	-	(18,252,398)
Infrastructure	(39,273,067)	(1,845,984)	-	(41,119,051)
Machinery and equipment	(2,900,214)	(394,402)	-	(3,294,616)
Intangible asset –				
Southern delivery system	<u>(171,490)</u>	<u>(171,490)</u>	<u>-</u>	<u>(342,980)</u>
Total accumulated depreciation	<u>(59,563,468)</u>	<u>(3,445,577)</u>	<u>-</u>	<u>(63,009,045)</u>
Capital assets being depreciated, net	<u>40,405,646</u>	<u>(1,873,488)</u>	<u>-</u>	<u>38,532,158</u>
Total business-type activities capital assets, net	<u>\$ 55,281,073</u>	<u>\$ (972,262)</u>	<u>\$ (173,061)</u>	<u>\$ 54,135,750</u>

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

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

Depreciation expense was charged to functions/programs as follows:

Governmental activities –	
General government	\$ 28,012
Fire protection	250,648
Engineering	24,172
Parks and recreation	269,529
Streets and roads	<u>162,830</u>
	<u>\$ 735,191</u>
Business-type activities –	
Water fund	\$ 2,399,391
Wastewater fund	1,030,434
Swimming pool fund	<u>15,752</u>
	<u>\$ 3,445,577</u>

E. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities in the government-wide financial statements for the year ended December 31, 2017:

	Balance January 1, <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2017</u>	Due Within <u>One Year</u>
Governmental activities					
Obligation under capital lease	\$ 767,460	\$ -	\$ (178,955)	\$ 588,505	\$ 182,203
Compensated absences	<u>122,476</u>	<u>327,883</u>	<u>(370,619)</u>	<u>79,740</u>	<u>43,857</u>
Total governmental activities	<u>\$ 889,936</u>	<u>\$ 327,883</u>	<u>\$ (549,574)</u>	<u>\$ 668,245</u>	<u>\$ 226,060</u>

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

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

	Balance January 1, <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2017</u>	Due Within <u>One Year</u>
Business-type activities					
Revenue bonds –					
Water and wastewater refunding revenue, series 2016	\$ 4,125,000	\$ -	\$ (425,000)	\$ 3,700,000	\$ 435,000
Note payable –					
Clean water series 2011A	4,114,659	-	(234,120)	3,880,539	239,973
Unamortized premium	134,273	-	(9,052)	125,221	-
Compensated absences	<u>28,799</u>	<u>239,720</u>	<u>(216,526)</u>	<u>51,993</u>	<u>28,598</u>
Total business-type activities	<u>\$ 8,402,731</u>	<u>\$ 239,720</u>	<u>\$ (884,698)</u>	<u>\$ 7,757,753</u>	<u>\$ 703,571</u>

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

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

Obligation Under Capital Lease

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

\$ 588,505

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

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

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 182,203	\$ 9,095	\$ 191,298
2019	185,510	5,788	191,298
2020	188,877	2,421	191,298
2021	<u>31,915</u>	<u>48</u>	<u>31,963</u>
	<u>\$ 588,505</u>	<u>\$ 17,352</u>	<u>\$ 605,857</u>

The carrying value of the assets that were acquired as a result of this obligation under capital lease was \$814,769 at December 31, 2017. One of the assets that was the subject of this capital lease became completely impaired in 2018 as a result of an accident. The ultimate resolution of this accident is yet to be determined.

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

Revenue

\$4,565,000 series 2016 water and wastewater revenue refunding bonds;
interest rate of 1.89%; due in semi-annual installments including principal
and interest ranging from \$499,887 to \$504,930 through December, 2025 \$ 3,700,000

Note

\$5,232,582 clean water note payable series 2011A with Colorado Water
Resources and Power Development Authority; interest rate of 2.23%;
due in annual installments including principal, interest and administrative
fees ranging from \$313,023 to \$322,524 through August, 2032 3,880,539

Total business-type activities \$ 7,580,539

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

<u>Year ending December 31,</u>	<u>Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 435,000	\$ 69,930	\$ 504,930
2019	440,000	61,708	501,708
2020	450,000	53,393	503,393
2021	455,000	44,887	499,887
2022	465,000	36,288	501,288
2023-2025	<u>1,455,000</u>	<u>55,377</u>	<u>1,510,377</u>
	<u>\$ 3,700,000</u>	<u>\$ 321,583</u>	<u>\$ 4,021,583</u>

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

<u>Year ending December 31,</u>	<u>Note Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 239,973	\$ 42,799	\$ 282,772
2019	239,973	40,827	280,800
2020	245,826	37,789	283,615
2021	245,826	35,036	280,862
2022	245,826	32,569	278,395
2023-2027	1,270,101	130,966	1,401,067
2028-2032	<u>1,393,014</u>	<u>56,149</u>	<u>1,449,163</u>
	<u>\$ 3,880,539</u>	<u>\$ 376,135</u>	<u>\$ 4,256,674</u>

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

F. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Benefits

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

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

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

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

Contributions

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

Members of the FPPA plan and their employers contribute at the rate of 9 percent and 8 percent, respectively, of base salary for a total contribution rate of 17 percent beginning in 2017. In 2014, the members elected to increase the member contribution rate to the FPPA plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

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

The contribution rate for members and employers of affiliated social security employers is 4.5 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.5 percent in 2017. Based on the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Contributions to the pension plan from the District were \$85,939 for the year ended December 31, 2017.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

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

At December 31, 2017, the District reported a liability of \$71,978 for its proportionate share of net pension liability. The 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, 2017. The District's portion of the net pension liability was based on the District's contributions to the FPPA plan for the calendar year 2016 relative to the total contributions of participating employees to the FPPA plan

At December 31, 2016, the District's proportion was 0.199 percent, which was an increase of 0.001 percent from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the District recognized pension expense of \$101,810. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 3,661
Net difference between projected and actual earning on Pension plan investments	194,284	-
Difference between actual and expected experience	64,267	-
Changes in assumptions	49,167	-
Changes in proportionate share	5,583	-
Differences between contributions recognized and Proportionate share of contributions	(20)	-
Contributions subsequent to the measurement date	85,939	-
Total	<u>\$ 399,220</u>	<u>\$ 3,661</u>

\$85,939 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,	
2018	\$ 74,855
2019	74,854
2020	70,424
2021	29,068
2022	13,732
Thereafter	46,687
	<u>\$ 309,620</u>

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

Actuarial Assumptions

The actuarial valuations for the FPPA Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2016. The valuations used the following actuarial assumption and other inputs:

Actuarial valuation date	Entry age normal
Amortization method	Level % of payroll, open
Amortization period	30 years
Long-term investment rate of return*	7.50 percent
Projected salary increases*	4.0 – 14.0 percent
Cost of living adjustments (COLA)	0.00 percent
*Includes inflation at	2.5 percent

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the annuitant and employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best- estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the fund's target asset allocation as of December 31, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Geometric Real Rate of Return</u>
Global Equity	36.0%	9.25%
Equity Long/short	10.0%	7.35%
Illiquid Alternatives	23.0%	10.75%
Fixed Income	15.0%	4.10%
Absolute Return	10.0%	6.55%
Managed Futures	4.0%	5.50%
Cash	2.0%	0.0%*
Total	<u>100.0%</u>	

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

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

Discount rate

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.50%.

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	\$ 612,416	\$ 71,978	\$ (376,883)

Pension plan fiduciary net position

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

Payable to the pension plan

At December 31, 2017, the Pueblo West Metro District reported a payable of \$9,691 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2017.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

G. DEFINED CONTRIBUTION PENSION PLAN

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

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Board of Directors. The Plan allows employees to defer a portion of their compensation as provided by the IRC. Employees may defer 5% of their compensation and the District has elected to contribute 5% of each participant's compensation. For the year ended December 31, 2017, employer contributions totaled \$236,538 and the District recognized pension expense of \$236,538.

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

H. NET POSITION

Restricted net position represents net position whose uses are subject to constraints that are either (1) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2017 for governmental activities is as follows:

Tabor	\$ 212,000
Parks and recreation	<u>464,947</u>
	<u>\$ 676,947</u>

Restricted for tabor – This represents approximately 3% of the District's 2017 fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the District's net position can be used for declared emergencies only and the District must maintain 3% or more of its fiscal year spending in this restricted account.

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

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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

I. FUND BALANCES

At December 31, 2017, fund balances for governmental funds consist of the following:

	Governmental Activities				Total
	General Fund	Conservation Trust Fund	Parks Donation Fund	Capital Projects Fund	
Fund balances –					
Nonspendable –					
Prepaid items	\$ 8,322	\$ -	\$ -	\$ -	\$ 8,322
Restricted –					
Tabor	212,000	-	-	-	212,000
Parks and recreation	-	464,947	-	-	464,947
Committed –					
Parks and recreation	-	-	21,716	-	21,716
Assigned –					
Subsequent years					
expenditures	287,645	-	-	134,046	421,691
Unassigned	3,219,903	-	-	-	3,219,903
Total fund balances	<u>\$ 3,727,870</u>	<u>\$ 464,947</u>	<u>\$ 21,716</u>	<u>\$ 134,046</u>	<u>\$ 4,348,579</u>

IV. OTHER NOTES DISCLOSURES

A. RISK MANAGEMENT

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

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

IV. OTHER NOTES DISCLOSURES (Cont'd.)

B. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

New Hire Fire and Police Death and Disability

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

Plan members and the District are required to contribute at a rate set by statute. The contribution requirements of plan members of the District are established under Title 31, Article 30, part 10 of the CRS, as amended. The contribution rate for members is 1.30% of covered salary and for the District the contribution rate is also 1.30% of covered salary. The District contributions to the statewide death and disability plan for the years ended December 31, 2017, 2016 and 2015 were \$14,503, \$13,272 and \$12,938, equal to its required contributions for each year.

C. COMMITMENTS AND CONTINGENCIES

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

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

Year Ended December 31,	
2018	\$ 306,788
2019	306,775
2020	303,813
2021	304,812
2022	305,188
Later years	609,000
	<u>\$ 2,136,376</u>

At December 31, 2017, the District had various construction commitments outstanding totaling approximately \$13,074,300, all of which have been included in the 2018 approved budget.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

IV. OTHER NOTES DISCLOSURES (Cont'd.)

Encumbrances are commitments related to unperformed (executory) contracts for goods and services. Encumbrances outstanding at December 31, 2017 are not accounted for as expenditures and liabilities but are included in fund balance. Encumbrances outstanding at December 31, 2017 for governmental funds are as follows:

General fund	\$ 162,622
Conservation trust fund	12,384
Capital projects fund	<u>149,989</u>
	<u>\$ 324,995</u>

REQUIRED SUPPLEMENTARY INFORMATION

**PUEBLO WEST METROPOLITAN DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>With Final</u>
	<u>Original</u>	<u>Final</u>	<u>Budget Basis</u>	<u>Budget Positive</u> <u>(Negative)</u>
REVENUES AND OTHER FINANCING SOURCES				
Property taxes	\$ 4,606,449	\$ 4,606,449	\$ 4,606,390	\$ (59)
Specific ownership taxes	380,000	380,000	444,785	64,785
Highway users tax	1,450,000	1,450,000	1,456,092	6,092
Franchise taxes	130,000	130,000	146,570	16,570
Other taxes	-	-	179,307	179,307
Investment revenue	30,000	30,000	62,368	32,368
Recreation programs	134,350	134,350	125,957	(8,393)
Other revenues	140,749	140,749	261,378	120,629
Transfer in	140,000	140,000	-	(140,000)
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>7,011,548</u>	<u>7,011,548</u>	<u>7,282,847</u>	<u>271,299</u>
EXPENDITURES AND OTHER FINANCING USES				
Current -				
Streets and roads	2,132,058	2,132,058	1,664,278	467,780
Fire protection	2,253,552	2,253,552	2,354,185	(100,633)
Engineering	602,123	602,123	620,304	(18,181)
Parks and recreation	801,725	801,725	747,237	54,488
Other government -				
Administration	329,749	329,749	276,629	53,120
Elected officials	82,886	82,886	68,392	14,494
Finance	230,663	230,663	215,203	15,460
Purchasing	104,081	104,081	116,998	(12,917)
Human resources	124,661	124,661	116,100	8,561
Transfers out	350,050	350,050	347,678	2,372
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>7,011,548</u>	<u>7,011,548</u>	<u>6,527,004</u>	<u>484,544</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	755,843	755,843
FUND BALANCE, January 1	<u>-</u>	<u>-</u>	<u>2,972,027</u>	<u>2,972,027</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,727,870</u>	<u>\$ 3,727,870</u>

**PUEBLO WEST METROPOLITAN DISTRICT
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Budget Basis</u>	<u>With Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 321,002	\$ 171,002
Investment earnings	<u>1,000</u>	<u>1,000</u>	<u>3,027</u>	<u>2,027</u>
TOTAL REVENUES	<u>151,000</u>	<u>151,000</u>	<u>324,029</u>	<u>173,029</u>
EXPENDITURES				
Current programs/projects	9,500	9,500	11,866	(2,366)
Capital outlay	<u>358,320</u>	<u>358,320</u>	<u>265,901</u>	<u>92,419</u>
TOTAL EXPENDITURES	<u>367,820</u>	<u>367,820</u>	<u>277,767</u>	<u>90,053</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(216,820)	(216,820)	46,262	263,082
FUND BALANCE, January 1	<u>216,820</u>	<u>216,820</u>	<u>418,685</u>	<u>201,865</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 464,947</u>	<u>\$ 464,947</u>

**PUEBLO WEST METROPOLITAN DISTRICT
BUDGETARY COMPARISON SCHEDULE
PARKS DONATION FUND
YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Budget Basis</u>	<u>With Final Budget Positive (Negative)</u>
REVENUES				
Donations	\$ 10,600	\$ 15,000	\$ 16,508	\$ 1,508
TOTAL REVENUES	<u>10,600</u>	<u>15,000</u>	<u>16,508</u>	<u>1,508</u>
EXPENDITURES				
Current programs/projects	<u>10,600</u>	<u>15,000</u>	<u>14,674</u>	<u>326</u>
TOTAL EXPENDITURES	<u>10,600</u>	<u>15,000</u>	<u>14,674</u>	<u>326</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	1,834	1,834
FUND BALANCE, January 1	<u>-</u>	<u>-</u>	<u>19,882</u>	<u>19,882</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,716</u>	<u>\$ 21,716</u>

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017**

BUDGETARY INFORMATION

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

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

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution. The board of directors may amend the original adopted budget during the year by passing a new resolution to reflect current needs and during 2017 the expenditure estimates were amended for certain funds.

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

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	.199%	(.198%)	(.20515%)	.205%
District's proportionate share of the net pension liability (asset)	\$ 71,978	\$ (3,484)	\$ (231,526)	\$ (183,724)
District's covered-employee payroll	\$ 1,019,463	\$ 958,138	\$ 922,550	\$ 892,413
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.060%	(.364%)	(25.096%)	(20.587%)
Plan fiduciary net position as a percentage of the total pension liability	98.210%	100.100%	106.800%	105.800%

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 85,939	\$ 81,551	\$ 76,651	\$ 73,804	\$ 71,393
Contributions in relation to the contractually required contribution	<u>(85,939)</u>	<u>(81,551)</u>	<u>(76,651)</u>	<u>(73,804)</u>	<u>(71,393)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,074,238	\$ 1,019,463	\$ 958,138	\$ 922,550	\$ 892,413
Contributions as a percentage of covered-employee payroll	8.00%	8.00%	8.00%	8.00%	8.00%

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

ADDITIONAL INFORMATION

CAPITAL PROJECTS FUND

**PUEBLO WEST METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2017**

	<u>Final Budget</u>	<u>Actual Budget Basis</u>	Variance With Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,482,620	\$ 601,107	\$ (881,513)
TOTAL REVENUES	<u>1,482,620</u>	<u>601,107</u>	<u>(881,513)</u>
EXPENDITURES			
Capital projects	1,482,620	611,098	871,522
TOTAL EXPENDITURES	<u>1,482,620</u>	<u>611,098</u>	<u>871,522</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(9,991)	(9,991)
FUND BALANCE, January 1	<u>-</u>	<u>144,037</u>	<u>144,037</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 134,046</u>	<u>\$ 134,046</u>

ENTERPRISE FUNDS

PUEBLO WEST METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER FUND
YEAR ENDED DECEMBER 31, 2017

	<u>Final</u> <u>Budget</u>	<u>Actual</u> <u>Budget Basis</u>	Variance With Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES			
Water usage	\$ 7,160,500	\$ 7,053,460	\$ (107,040)
Transfer fees	15,000	29,758	14,758
Penalty billing fee	100,000	97,390	(2,610)
Turn on fees	40,000	40,509	509
Hydrant water	35,700	58,636	22,936
Tap connection fees/plant investment fees	1,187,500	2,339,962	1,152,462
Interest	45,000	134,172	89,172
Other	7,000	126,734	119,734
Prior year unexpended balance	<u>8,657,424</u>	<u>-</u>	<u>(8,657,424)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>17,248,124</u>	<u>9,880,621</u>	<u>(7,367,503)</u>
EXPENDITURES			
Current -			
Salaries	1,571,777	1,496,097	75,680
Payroll taxes	119,721	108,228	11,493
Employee pension and benefits	430,467	351,328	79,139
Operating parts, material and supplies	1,088,638	756,283	332,355
Repairs and maintenance	436,076	311,313	124,763
Uniforms and safety	17,175	17,561	(386)
Training, education and travel	46,272	15,418	30,854
Legal expense	55,000	71,704	(16,704)
Outside services	1,223,058	772,348	450,710
Insurance	48,100	47,923	177
Utilities	1,114,350	1,081,748	32,602
Lease and rental	9,500	8,102	1,398
Water assessments	634,938	568,942	65,996
Office	86,052	61,646	24,406
Capital outlay	9,866,500	1,459,125	8,407,375
Debt service -			
Principal	425,000	425,000	-
Interest costs	<u>75,500</u>	<u>78,363</u>	<u>(2,863)</u>
TOTAL EXPENDITURES	<u>17,248,124</u>	<u>7,631,129</u>	<u>9,616,995</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 2,249,492</u>	<u>\$ 2,249,492</u>

PUEBLO WEST METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WASTEWATER FUND
YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual Budget Basis</u>	Variance With Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES			
Charges for services	\$ 2,768,028	\$ 2,798,796	\$ 30,768
Tap connection fees/plant investment fees	27,020	257,735	230,715
Interest	6,500	18,159	11,659
Other	-	181	181
Prior year unexpended balance	<u>2,628,356</u>	<u>-</u>	<u>(2,628,356)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>5,429,904</u>	<u>3,074,871</u>	<u>(2,355,033)</u>
EXPENDITURES			
Current -			
Salaries	532,362	517,700	14,662
Payroll taxes	40,552	37,437	3,115
Employee pension and benefits	147,852	116,971	30,881
Uniforms and safety	10,550	5,780	4,770
Operating parts, materials and supplies	401,342	164,454	236,888
Repairs and maintenance	166,321	100,540	65,781
Training, education and travel	16,911	6,163	10,748
Legal	1,200	-	1,200
Outside services	662,958	189,728	473,230
Insurance	20,200	18,169	2,031
Utilities	313,175	160,266	152,909
Rentals	800	641	159
Office	65,653	23,830	41,823
Capital outlay	2,730,000	911,253	1,818,747
Debt service -			
Principal	234,120	234,120	-
Interest	<u>85,908</u>	<u>83,973</u>	<u>1,935</u>
TOTAL EXPENDITURES	<u>5,429,904</u>	<u>2,571,025</u>	<u>2,858,879</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 503,846</u>	<u>\$ 503,846</u>

PUEBLO WEST METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT FUND
YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual Budget Basis</u>	Variance With Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES			
Charges for services	\$ 165,000	\$ 171,127	\$ 6,127
Other	150	250	100
Prior year unexpended balance	<u>311,884</u>	<u>-</u>	<u>(311,884)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>477,034</u>	<u>171,377</u>	<u>(305,657)</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Salaries	164,264	163,899	365
Payroll taxes	12,518	11,500	1,018
Employee benefits	44,312	44,913	(601)
Parts and supplies	2,755	1,679	1,076
Repairs and maintenance	34,226	40,489	(6,263)
Uniforms and safety	150	-	150
Training, education and travel	5,225	4,997	228
Legal	950	1,735	(785)
Outside services	50,440	30,209	20,231
Insurance	5,600	5,804	(204)
Utilities	4,323	8,966	(4,643)
Lease and rental	3,610	1,734	1,876
Office	8,661	4,433	4,228
Transfers out	<u>140,000</u>	<u>-</u>	<u>140,000</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>477,034</u>	<u>320,358</u>	<u>156,676</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (148,981)</u>	<u>\$ (148,981)</u>

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

	<u>Final Budget</u>	<u>Actual Budget Basis</u>	Variance With Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES			
Admissions	\$ 22,000	\$ 21,345	\$ (655)
Lessons	10,000	10,405	405
Other	4,800	4,250	(550)
Transfers in	43,700	43,700	-
Prior year unexpended balance	<u>14,797</u>	<u>-</u>	<u>(14,797)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>95,297</u>	<u>79,700</u>	<u>(15,597)</u>
EXPENDITURES			
Current -			
Operating parts, materials and supplies	16,100	11,280	4,820
Uniforms and safety	1,200	1,391	(191)
Repairs and maintenance	6,722	4,490	2,232
Training, education and travel	650	35	615
Outside services	51,500	37,848	13,652
Insurance	2,800	2,767	33
Utilities	16,200	15,438	762
Office	<u>125</u>	<u>198</u>	<u>(73)</u>
TOTAL EXPENDITURES	<u>95,297</u>	<u>73,447</u>	<u>21,850</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 6,253</u>	<u>\$ 6,253</u>

INTERNAL SERVICE FUND

PUEBLO WEST METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
INTERNAL SERVICE FUND
YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual Budget Basis</u>	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other revenue	\$ 1,106,916	\$ 880,073	\$ (226,843)
TOTAL REVENUES	<u>1,106,916</u>	<u>880,073</u>	<u>(226,843)</u>
EXPENDITURES			
Current -			
Salaries	540,968	448,442	92,526
Payroll taxes	40,342	32,592	7,750
Pension and benefits	155,512	116,796	38,716
Parts and supplies	47,000	44,151	2,849
Repairs and maintenance	28,300	10,930	17,370
Uniforms and safety	8,400	4,428	3,972
Training, education and travel	28,605	12,303	16,302
Outside services	151,350	121,334	30,016
Insurance	8,800	8,050	750
Utilities	21,300	20,147	1,153
Lease and rental	3,200	1,598	1,602
Office	33,804	45,798	(11,994)
Capital outlay	39,335	13,239	26,096
TOTAL EXPENDITURES	<u>1,106,916</u>	<u>879,808</u>	<u>227,108</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 265</u>	<u>\$ 265</u>

STATISTICAL SECTION

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

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

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

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities			
Net investment in capital assets	\$ 9,267,195	\$ 9,209,009	\$ 9,492,669
Restricted	215,000	205,000	215,000
Unrestricted	<u>7,093,282</u>	<u>8,090,276</u>	<u>7,884,203</u>
Total Governmental Activities Net Position	<u>\$ 16,575,477</u>	<u>\$ 17,504,285</u>	<u>\$ 17,591,872</u>
Business-Type Activities			
Net investment in capital assets	\$ 44,789,449	\$ 44,809,019	\$ 43,385,754
Restricted	-	-	-
Unrestricted	<u>24,950,490</u>	<u>24,703,974</u>	<u>27,381,921</u>
Total Business-Type Activities Net Position	<u>\$ 69,739,939</u>	<u>\$ 69,512,993</u>	<u>\$ 70,767,675</u>
Primary Government			
Net investment in capital assets	\$ 54,056,644	\$ 54,018,028	\$ 52,878,423
Restricted	215,000	205,000	215,000
Unrestricted	<u>32,043,772</u>	<u>32,794,250</u>	<u>35,266,124</u>
Total Primary Government Net Position	<u>\$ 86,315,416</u>	<u>\$ 87,017,278</u>	<u>\$ 88,359,547</u>

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 9,516,008	\$ 9,871,461	\$ 10,715,959	\$ 11,036,104	\$ 11,648,273	\$ 11,713,622	\$ 12,085,136
591,849	386,089	797,814	844,579	868,479	632,169	676,947
7,276,838	5,900,492	4,372,224	3,764,813	3,055,771	3,109,212	3,868,629
<u>\$ 17,384,695</u>	<u>\$ 16,158,042</u>	<u>\$ 15,885,997</u>	<u>\$ 15,645,496</u>	<u>\$ 15,572,523</u>	<u>\$ 15,455,003</u>	<u>\$ 16,630,712</u>
\$ 43,416,020	\$ 44,858,506	\$ 47,750,064	\$ 50,781,294	\$ 48,537,759	\$ 47,114,165	\$ 46,614,012
-	-	-	-	-	-	-
29,073,301	30,110,962	29,137,110	28,031,852	32,328,455	35,723,375	38,554,469
<u>\$ 72,489,321</u>	<u>\$ 74,969,468</u>	<u>\$ 76,887,174</u>	<u>\$ 78,813,146</u>	<u>\$ 80,866,214</u>	<u>\$ 82,837,540</u>	<u>\$ 85,168,481</u>
\$ 52,932,028	\$ 54,729,967	\$ 58,466,023	\$ 61,817,398	\$ 60,186,032	\$ 58,827,787	\$ 58,699,148
591,849	386,089	797,814	844,579	868,479	632,169	676,947
36,350,139	36,011,454	33,509,334	31,796,665	35,384,226	38,832,587	42,423,098
<u>\$ 89,874,016</u>	<u>\$ 91,127,510</u>	<u>\$ 92,773,171</u>	<u>\$ 94,458,642</u>	<u>\$ 96,438,737</u>	<u>\$ 98,292,543</u>	<u>\$ 101,799,193</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>
EXPENSES			
Governmental activities -			
General government	\$ 723,089	\$ 684,120	\$ 710,421
Fire protection	1,644,059	1,772,505	1,890,433
Streets and roads	2,852,208	2,678,916	2,990,261
Engineering	881,458	558,708	449,190
Parks and recreation	520,432	543,959	621,037
Interest on long-term debt	1,632	329	8,918
Total governmental activities expenses	<u>6,622,878</u>	<u>6,238,537</u>	<u>6,670,260</u>
Business-type activities -			
Water	5,934,043	5,725,240	6,233,923
Wastewater	1,856,680	2,254,264	2,168,514
Community Development	174,156	111,368	184,402
Swimming pool	98,440	93,518	72,343
Total business-type activities expenses	<u>8,063,319</u>	<u>8,184,390</u>	<u>8,659,182</u>
 TOTAL PRIMARY GOVERNMENT EXPENSES	 <u>\$ 14,686,197</u>	 <u>\$ 14,422,927</u>	 <u>\$ 15,329,442</u>
PROGRAM REVENUE			
Governmental activities -			
Charges for services	\$ 134,880	\$ 131,440	\$ 147,873
Operating grants and contributions	1,684,413	1,383,333	1,622,897
Capital grants and contributions	-	-	-
Total governmental activities program revenue	<u>1,819,293</u>	<u>1,514,773</u>	<u>1,770,770</u>
Business-type activities -			
Charges for services -			
Water			
Water Usage	5,296,453	5,361,843	6,309,250
Transfer Fee	4,398	3,717	3,363
Penalty	101,961	100,294	103,077
Turn On Fees	44,282	47,625	40,607
Hydrant Water	32,813	34,429	30,779
Other	326,039	133,940	222,690
Sewer			
Sewer Usage	1,484,489	1,564,798	1,604,564
Other	34,790	12,268	13,613
Community Development			
Sale of Land	190,273	19,017	-
Fees	-	-	59,835
Other	-	-	218
Swimming pool	37,825	32,732	34,183
Operating grants and contributions	-	-	-
Capital grants and contributions	1,580,597	697,689	874,201
Total business-type activities program revenue	<u>9,133,920</u>	<u>8,008,352</u>	<u>9,296,380</u>
 TOTAL PRIMARY GOVERNMENT PROGRAM REVENUE	 <u>10,953,213</u>	 <u>9,523,125</u>	 <u>11,067,150</u>

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 936,551	\$ 712,532	\$ 976,111	\$ 721,486	\$ 720,681	\$ 809,965	\$ 832,283
1,939,248	2,141,209	2,325,217	2,331,469	2,290,050	2,377,078	2,423,181
2,757,047	3,249,171	1,919,384	2,191,051	2,423,215	2,626,296	1,799,271
506,865	524,118	536,402	368,695	460,745	595,961	641,026
746,488	769,596	861,289	973,160	953,660	986,251	1,030,512
13,482	9,178	4,670	30	-	12,683	12,343
<u>6,899,681</u>	<u>7,405,804</u>	<u>6,623,073</u>	<u>6,585,891</u>	<u>6,848,351</u>	<u>7,408,234</u>	<u>6,738,616</u>
6,799,199	6,292,882	6,145,983	6,720,609	6,749,671	8,089,985	8,252,928
2,224,750	2,219,385	2,692,734	2,583,930	2,348,887	2,947,805	2,449,753
200,800	223,560	228,823	356,743	306,221	342,210	387,802
95,417	106,092	111,883	85,623	110,531	103,471	89,123
<u>9,320,166</u>	<u>8,841,919</u>	<u>9,179,423</u>	<u>9,746,905</u>	<u>9,515,310</u>	<u>11,483,471</u>	<u>11,179,606</u>
<u>\$ 16,219,847</u>	<u>\$ 16,247,723</u>	<u>\$ 15,802,496</u>	<u>\$ 16,332,796</u>	<u>\$ 16,363,661</u>	<u>\$ 18,891,705</u>	<u>\$ 17,918,222</u>
\$ 251,023	\$ 264,155	\$ 255,219	\$ 244,512	\$ 257,471	\$ 315,258	\$ 290,100
1,422,149	1,482,990	1,488,512	1,661,097	1,573,143	1,766,648	1,474,875
216,091	38,702	-	-	532,879	24,012	959,621
<u>1,889,263</u>	<u>1,785,847</u>	<u>1,743,731</u>	<u>1,905,609</u>	<u>2,363,493</u>	<u>2,105,918</u>	<u>2,724,596</u>
7,428,036	7,533,404	7,000,054	7,029,050	6,719,285	7,640,016	7,053,460
10,182	9,437	12,092	34,083	17,936	20,295	29,758
99,300	99,320	101,019	99,497	201,290	95,215	97,390
46,395	44,697	46,277	47,991	43,141	42,016	40,509
45,434	65,711	78,818	72,798	45,359	62,844	58,636
199,992	76,993	57,071	134,274	155,459	241,408	126,734
1,886,746	2,323,541	2,649,983	2,709,502	2,599,635	2,342,781	2,798,796
6,504	7,678	12,044	18,633	14,711	352,488	181
31,019	-	-	575,842	345,500	1,135,282	74,498
35,430	31,718	34,656	37,134	42,538	67,441	96,629
-	132	-	172	152	1,348	250
36,904	39,329	34,464	24,787	33,545	33,867	36,000
-	-	-	-	-	55,157	29,998
<u>578,049</u>	<u>478,607</u>	<u>443,058</u>	<u>471,969</u>	<u>879,416</u>	<u>1,407,917</u>	<u>2,307,139</u>
<u>10,403,991</u>	<u>10,710,567</u>	<u>10,469,536</u>	<u>11,255,732</u>	<u>11,097,967</u>	<u>13,498,075</u>	<u>12,749,978</u>
<u>12,293,254</u>	<u>12,496,414</u>	<u>12,213,267</u>	<u>13,161,341</u>	<u>13,461,460</u>	<u>15,603,993</u>	<u>15,474,574</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>
NET (EXPENSE) REVENUE			
Governmental activities	(4,803,585)	(4,723,764)	(4,899,490)
Business-type activities	<u>1,070,601</u>	<u>(176,038)</u>	<u>637,198</u>
 TOTAL PRIMARY GOVERNMENT NET EXPENSE	 <u>\$ (3,732,984)</u>	 <u>\$ (4,899,802)</u>	 <u>\$ (4,262,292)</u>
 GENERAL REVENUE AND OTHER CHANGES IN NET POSITION			
Governmental activities -			
Property taxes	\$ 4,423,837	\$ 4,575,988	\$ 4,720,733
Franchise and other taxes	574,393	563,697	515,981
Unrestricted investment earnings	220,770	122,065	115,499
Other	9,265	72,351	24,964
Transfers	<u>215,956</u>	<u>318,471</u>	<u>(390,100)</u>
Total governmental activities	<u>5,444,221</u>	<u>5,652,572</u>	<u>4,987,077</u>
Business-type activities -			
Unrestricted investment earnings	498,996	267,563	227,384
Other	-	-	-
Transfers	<u>(215,956)</u>	<u>(318,471)</u>	<u>390,100</u>
Total business-type activities	<u>283,040</u>	<u>(50,908)</u>	<u>617,484</u>
 TOTAL PRIMARY GOVERNMENT	 <u>\$ 5,727,261</u>	 <u>\$ 5,601,664</u>	 <u>\$ 5,604,561</u>
 CHANGE IN NET POSITION			
Governmental activities	\$ 640,636	\$ 928,808	\$ 87,587
Business-type activities	<u>1,353,641</u>	<u>(226,946)</u>	<u>1,254,682</u>
 TOTAL PRIMARY GOVERNMENT	 <u>\$ 1,994,277</u>	 <u>\$ 701,862</u>	 <u>\$ 1,342,269</u>

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
(5,010,418)	(5,619,957)	(4,879,342)	(4,680,282)	(4,484,858)	(5,302,316)	(4,014,020)
<u>1,083,825</u>	<u>1,868,648</u>	<u>1,290,113</u>	<u>1,508,827</u>	<u>1,582,657</u>	<u>2,014,604</u>	<u>1,772,138</u>
<u>\$ (3,926,593)</u>	<u>\$ (3,751,309)</u>	<u>\$ (3,589,229)</u>	<u>\$ (3,171,455)</u>	<u>\$ (2,902,201)</u>	<u>\$ (3,287,712)</u>	<u>\$ (2,241,882)</u>
\$ 4,750,576	\$ 4,429,426	\$ 4,428,058	\$ 4,305,666	\$ 4,337,155	\$ 4,450,020	\$ 4,606,390
480,014	436,692	427,280	438,844	473,740	549,823	770,662
52,853	24,781	30,186	19,319	17,051	34,891	65,395
10,423	16,187	17,221	40,714	8,802	14,791	94,960
<u>(490,625)</u>	<u>(513,782)</u>	<u>(552,977)</u>	<u>(364,762)</u>	<u>(424,863)</u>	<u>135,271</u>	<u>(347,678)</u>
<u>4,803,241</u>	<u>4,393,304</u>	<u>4,349,768</u>	<u>4,439,781</u>	<u>4,411,885</u>	<u>5,184,796</u>	<u>5,189,729</u>
147,196	97,717	60,735	52,383	44,525	91,993	152,330
-	-	13,881	-	1,023	-	58,795
<u>490,625</u>	<u>513,782</u>	<u>552,977</u>	<u>364,762</u>	<u>424,863</u>	<u>(135,271)</u>	<u>347,678</u>
<u>637,821</u>	<u>611,499</u>	<u>627,593</u>	<u>417,145</u>	<u>470,411</u>	<u>(43,278)</u>	<u>558,803</u>
<u>\$ 5,441,062</u>	<u>\$ 5,004,803</u>	<u>\$ 4,977,361</u>	<u>\$ 4,856,926</u>	<u>\$ 4,882,296</u>	<u>\$ 5,141,518</u>	<u>\$ 5,748,532</u>
\$ (207,177)	\$ (1,226,653)	\$ (529,574)	\$ (240,501)	\$ (72,973)	\$ (117,520)	\$ 1,175,709
<u>1,721,646</u>	<u>2,480,147</u>	<u>1,917,706</u>	<u>1,925,972</u>	<u>2,053,068</u>	<u>1,971,326</u>	<u>2,330,941</u>
<u>\$ 1,514,469</u>	<u>\$ 1,253,494</u>	<u>\$ 1,388,132</u>	<u>\$ 1,685,471</u>	<u>\$ 1,980,095</u>	<u>\$ 1,853,806</u>	<u>\$ 3,506,650</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
GENERAL FUND				
Reserved	\$ 215,000	\$ 205,000	\$ 215,000	
Unreserved	<u>6,052,789</u>	<u>6,246,705</u>	<u>6,804,960</u>	
TOTAL GENERAL FUND	<u><u>\$ 6,267,789</u></u>	<u><u>\$ 6,451,705</u></u>	<u><u>\$ 7,019,960</u></u>	
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ -	\$ -	\$ -	
Unreserved reported in -				
Special revenue funds	341,199	448,963	443,030	
Capital project funds	<u>1,219,219</u>	<u>1,960,302</u>	<u>1,264,312</u>	
TOTAL ALL OTHER				
GOVERNMENTAL FUNDS	<u><u>\$ 1,560,418</u></u>	<u><u>\$ 2,409,265</u></u>	<u><u>\$ 1,707,342</u></u>	
GENERAL FUND				
Nonspendable				-
Restricted				206,000
Committed				-
Assigned				622,036
Unassigned				<u>5,631,071</u>
TOTAL GENERAL FUND				<u><u>\$ 6,459,107</u></u>
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable				-
Restricted				385,849
Committed				1,420,907
Assigned				-
Unassigned				<u>-</u>
TOTAL ALL OTHER				
GOVERNMENTAL FUNDS				<u><u>\$ 1,806,756</u></u>

Notes:

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

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
3,863	2,515	9,630	9,566	9,082	8,322
198,000	198,000	198,000	200,000	210,000	212,000
-	-	-	-	-	-
3,481,481	1,494,146	939,973	435,415	11,594	287,645
2,728,854	2,876,105	2,261,982	2,315,597	2,741,351	3,219,903
<u>\$ 6,412,198</u>	<u>\$ 4,570,766</u>	<u>\$ 3,409,585</u>	<u>\$ 2,960,578</u>	<u>\$ 2,972,027</u>	<u>\$ 3,727,870</u>
-	-	-	-	-	-
188,089	342,285	389,050	436,953	418,685	464,947
8,216	9,492	5,055	17,626	19,882	21,716
10,923	265,366	749,434	372,882	144,037	134,046
-	-	-	-	-	-
<u>\$ 207,228</u>	<u>\$ 617,143</u>	<u>\$ 1,143,539</u>	<u>\$ 827,461</u>	<u>\$ 582,604</u>	<u>\$ 620,709</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues			
Taxes	\$ 6,068,664	\$ 6,353,778	\$ 6,521,491
Intergovernmental	613,979	169,240	318,009
Charges for services	134,880	131,440	147,873
Investment earnings	220,770	122,065	115,499
Other	<u>9,265</u>	<u>72,351</u>	<u>45,075</u>
Total Revenues	<u>7,047,558</u>	<u>6,848,874</u>	<u>7,147,947</u>
Expenditures			
Current -			
Streets and roads	2,738,817	2,545,907	2,878,388
Fire protection	1,477,160	1,583,277	1,680,873
Engineering	867,493	540,620	432,141
Parks & recreation	440,696	467,128	528,382
General and administration	656,706	668,124	677,432
Capital outlay	1,215,440	307,463	1,142,963
Debt service -			
Principal	42,495	21,734	121,236
Interest	<u>1,632</u>	<u>329</u>	<u>-</u>
Total Expenditures	<u>7,440,439</u>	<u>6,134,582</u>	<u>7,461,415</u>
Excess (deficiency) of revenues over expenditures	<u>(392,881)</u>	<u>714,292</u>	<u>(313,468)</u>
Other Financing Sources (Uses)			
Insurance Recovery	-	-	-
Transfers in	2,041,707	1,900,435	684,296
Transfers out	(1,825,751)	(1,581,964)	(1,074,396)
Capital leases	<u>-</u>	<u>-</u>	<u>569,900</u>
Total Other Financing Sources (Uses)	<u>215,956</u>	<u>318,471</u>	<u>179,800</u>
Net Change in Fund Balances	<u>\$ (176,925)</u>	<u>\$ 1,032,763</u>	<u>\$ (133,668)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>0.71%</u>	<u>0.38%</u>	<u>1.92%</u>

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 6,525,619	\$ 6,170,660	\$ 6,174,882	\$ 6,090,150	\$ 6,216,050	\$ 6,418,109	\$ 6,833,144
335,747	204,779	168,968	305,279	677,499	306,750	925,484
251,023	264,155	255,219	244,512	257,471	315,258	290,100
52,853	24,781	30,186	19,319	17,051	34,891	65,395
17,887	20,656	17,221	50,750	27,169	56,423	28,043
<u>7,183,129</u>	<u>6,685,031</u>	<u>6,646,476</u>	<u>6,710,010</u>	<u>7,195,240</u>	<u>7,131,431</u>	<u>8,142,166</u>
2,745,048	3,130,312	1,846,275	2,068,974	2,291,852	2,465,473	1,664,278
1,845,577	2,003,572	2,163,055	2,170,722	2,185,767	2,215,116	2,162,887
505,967	520,734	535,993	362,955	446,796	574,115	620,304
670,850	654,773	748,773	815,063	767,007	768,552	773,777
925,373	714,725	706,379	685,840	698,674	783,871	793,322
339,893	672,335	1,403,305	755,243	1,145,366	1,447,760	876,999
112,338	107,732	112,067	116,527	-	146,732	178,955
8,897	13,503	9,169	4,709	-	12,683	12,343
<u>7,153,943</u>	<u>7,817,686</u>	<u>7,525,016</u>	<u>6,980,033</u>	<u>7,535,462</u>	<u>8,414,302</u>	<u>7,082,865</u>
<u>29,186</u>	<u>(1,132,655)</u>	<u>(878,540)</u>	<u>(270,023)</u>	<u>(340,222)</u>	<u>(1,282,871)</u>	<u>1,059,301</u>
-	-	-	-	-	-	82,325
1,319,587	335,204	1,726,215	1,058,000	81,000	587,000	-
(1,810,212)	(848,986)	(2,279,192)	(1,422,762)	(505,863)	(451,729)	(347,678)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>914,192</u>	<u>-</u>
<u>(490,625)</u>	<u>(513,782)</u>	<u>(552,977)</u>	<u>(364,762)</u>	<u>(424,863)</u>	<u>1,049,463</u>	<u>(265,353)</u>
<u>\$ (461,439)</u>	<u>\$ (1,646,437)</u>	<u>\$ (1,431,517)</u>	<u>\$ (634,785)</u>	<u>\$ (765,085)</u>	<u>\$ (233,408)</u>	<u>\$ 793,948</u>
<u>1.78%</u>	<u>1.70%</u>	<u>1.98%</u>	<u>1.95%</u>	<u>0.00%</u>	<u>2.29%</u>	<u>3.08%</u>

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

<u>Fiscal Year</u>	<u>Property</u>	<u>Specific Ownership</u>	<u>Highway Users</u>	<u>Franchise</u>	<u>Other Taxes (1)</u>	<u>Total</u>
2008	4,423,837	481,818	1,070,434	92,575	-	6,068,664
2009	4,575,988	467,687	1,214,093	96,010	-	6,353,778
2010	4,720,733	416,817	1,284,777	99,164	-	6,521,491
2011	4,750,576	383,241	1,295,029	96,773	-	6,525,619
2012	4,429,426	336,093	1,304,542	100,599	-	6,170,660
2013	4,428,058	322,939	1,319,544	104,341	-	6,174,882
2014	4,305,666	328,439	1,345,640	110,405	-	6,090,150
2015	4,337,155	352,132	1,405,155	121,608	-	6,216,050
2016	4,450,020	370,318	1,418,266	136,924	42,581	6,418,109
2017	4,606,390	444,785	1,456,092	146,570	179,307	6,833,144
Change 2008-2017	4%	-8%	36%	58%	100%	13%

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

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

<u>Collection Year</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percentage of Levy</u>	<u>Delinquent Taxes Collected (1)</u>	<u>Total Tax Collection</u>	<u>Percentage of Levy</u>
2008	4,409,579	4,408,741	99.98%	1,853	4,410,593	100.02%
2009	4,573,312	4,565,127	99.82%	(1,789)	4,563,338	99.78%
2010	4,760,553	4,707,812	98.89%	(2,171)	4,705,641	98.85%
2011	4,741,257	4,734,770	99.86%	1,614	4,736,383	99.90%
2012	4,427,847	4,414,106	99.69%	3,231	4,417,337	99.76%
2013	4,430,550	4,414,768	99.64%	3,262	4,418,030	99.72%
2014	4,298,659	4,287,501	99.74%	8,231	4,295,732	99.93%
2015	4,329,945	4,321,963	99.82%	5,651	4,327,614	99.95%
2016	4,453,049	4,440,787	99.72%	861	4,441,648	99.74%
2017	4,595,449	4,585,498	99.78%	9,193	4,594,691	99.98%

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

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

<u>Budget Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Vacant</u>	<u>Industrial</u>	<u>Agricultural</u>
2008	139,337,370	28,138,860	39,450,910	6,928,540	117,080
2009	146,434,860	30,744,290	36,790,330	8,022,920	117,080
2010	151,038,320	33,823,820	36,380,070	8,232,230	111,120
2011	152,510,851	32,237,992	35,933,953	8,420,462	112,683
2012	143,709,151	31,683,127	28,789,019	8,769,961	98,931
2013	144,662,128	31,534,982	28,399,562	8,361,505	98,931
2014	141,116,535	31,793,730	22,210,552	8,408,237	357,718
2015	142,111,701	31,509,252	22,017,415	8,730,045	492,700
2016	154,695,062	32,629,106	19,762,001	8,233,482	1,263,848
2017	162,305,470	33,396,278	17,455,886	7,479,957	2,727,997

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

<u>Year</u>	
2007 - 2016	7.96%
2017	7.20%

Source: Pueblo County Assessor

<u>Natural Resources</u>	<u>State Assessed</u>	<u>Total Assessed</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Value as a % of Actual Value</u>
35,120	4,363,800	218,371,680	20.193	2,022,914,686	10.79%
33,100	4,164,170	226,306,750	20.193	2,107,864,274	10.74%
35,460	6,131,600	235,752,620	20.193	2,177,623,681	10.83%
31,296	5,974,010	235,221,247	20.193	2,199,745,926	10.69%
28,916	6,197,230	219,276,335	20.193	2,065,967,840	10.61%
27,445	6,325,645	219,410,198	20.193	2,075,115,382	10.57%
25,679	8,975,255	212,878,669	20.193	2,020,276,425	10.54%
22,562	9,544,344	214,428,019	20.193	2,034,689,490	10.54%
1,857	10,473,736	227,059,092	19.838	2,140,777,281	10.61%
1,857	11,587,624	234,955,069	20.216	2,504,758,496	9.38%

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

Collection <u>Year</u>	<u>Basic Rate</u>	<u>Debt Service</u>	<u>Total Direct</u>	<u>Pueblo County</u>	<u>School District 70</u>
2008	20.193	-	20.193	31.708	41.873
2009	20.193	-	20.193	31.195	40.804
2010	20.193	-	20.193	31.118	40.804
2011	20.193	-	20.193	31.677	39.297
2012	20.193	-	20.193	30.872	39.297
2013	20.193	-	20.193	30.959	39.243
2014	20.193	-	20.193	30.750	39.033
2015	20.193	-	20.193	30.769	39.653
2016	19.828	-	19.828	30.710	39.995
2017	20.239	-	20.239	30.867	40.242

Notes:

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

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

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

Source: Pueblo County Assessor

Pueblo City-County <u>Library</u>	Southeast Colorado Water Conservancy <u>District</u>	Lower Arkansas Valley Water Conservancy <u>District</u>	Turkey Creek Conservancy <u>District</u>
5.250	0.915	1.502	-
5.261	0.943	1.503	-
5.302	0.940	1.502	-
5.413	0.947	1.502	-
5.268	0.947	1.502	-
5.293	0.944	1.502	-
5.258	0.944	1.503	-
5.262	0.940	1.503	-
5.255	0.941	1.503	-
5.282	0.940	1.503	-

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

<u>Taxpayer</u>	2017		Percentage of Total Assessed Valuation
	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	
BLACK HILLS COLORADO ELECTRIC	\$ 5,322,831.00	1	2.27%
WAL MART REAL ESTATE BUSINESS	\$ 3,018,685.00	2	1.28%
SAN ISABEL ELECTRIC ASSN INC	\$ 1,687,224.00	3	0.72%
COMCAST OF COLORADO IV LLC	\$ 1,609,944.00	4	0.69%
PUBLIC SERVICE CO OF COLORADO	\$ 1,577,607.00	5	0.67%
ANDREWS FAMILY LLLP	\$ 1,244,008.00	6	0.53%
KUNA ENTERPRISES I LP	\$ 1,090,599.00	7	0.46%
QWEST CORPORATION	\$ 1,005,600.00	8	0.43%
TRI STATE GEN + TRANSM ASSOC	\$ 890,273.00	9	0.38%
RIVERBEND PUEBLO WEST	\$ 716,760.00	10	0.31%
J-M Manufacturing Co., Inc.	\$ -		-
Wal-Mart Property Tax Dept	\$ -		-
Pueblo West Property Dev LLC	\$ -		-
Ferguson Enterprises, Inc.	\$ -		-
	<u>\$ 18,163,531.00</u>		7.73%

Source: Pueblo County Assessor

2008

<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
\$ 1,512,540.00	2	0.69%
\$ 3,631,280.00	1	1.66%
\$ 791,960.00	8	0.36%
		-
		-
\$ 1,261,830.00	3	0.58%
\$ 1,197,790.00	5	0.55%
\$ 1,226,800.00	4	0.56%
		-
		-
\$ 1,079,680.00	6	0.49%
\$ 819,240.00	7	0.38%
\$ 693,200.00	9	0.32%
\$ 682,360.00	10	0.31%
<u>\$ 12,896,680.00</u>		5.91%

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

<u>Fiscal Year</u>	<u>Water Usage</u>	<u>Transfer Fees</u>	<u>Penalty</u>	<u>Turn On Fees</u>	<u>Hydrant Water</u>
2008	5,296,453	4,398	101,961	44,282	32,813
2009	5,361,843	3,717	100,294	47,625	34,429
2010	6,309,250	3,363	103,077	40,608	30,779
2011	7,428,036	10,182	99,300	46,395	45,434
2012	7,533,404	9,437	99,320	44,697	65,711
2013	7,000,054	12,092	101,019	46,277	78,818
2014	7,029,050	34,083	99,497	47,991	72,798
2015	6,719,285	17,936	201,290	43,141	45,359
2016	7,640,016	20,295	95,215	42,016	62,844
2017	7,053,460	29,758	97,390	40,509	58,636

*Tap connection includes tap fee and plant investment fee.

<u>Tap Connection*</u>	<u>Interest</u>	<u>Other</u>	<u>Transfers In</u>
1,636,590	356,487	168,218	244,044
700,677	230,737	56,939	239,529
906,450	204,331	124,081	260,550
392,425	130,844	154,268	317,612
467,806	86,453	25,168	317,782
441,972	53,495	10,412	318,477
432,684	46,137	84,425	308,762
885,723	39,217	62,055	308,863
1,457,269	81,027	241,408	306,729
2,339,962	134,172	126,734	347,678

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

<u>Fiscal Year</u>	<u>Charges</u>	<u>Proceeds From</u>				
	<u>For Service</u>	<u>Tap Connection[†]</u>	<u>Issuance Of</u>	<u>Interest</u>	<u>Other</u>	<u>Transfers In</u>
			<u>Note</u>			
2008	1,484,489	136,618	-	99,620	-	-
2009	1,564,798	86,281	-	24,178	-	-
2010	1,604,564	79,972	-	22,275	-	-
2011	1,886,746	28,684	5,340,000	16,352	-	-
2012	2,323,541	50,804	-	11,264	-	-
2013	2,649,986	61,670	-	7,240	12,000	-
2014	2,709,502	36,768	-	6,246	12,069	-
2015	2,599,635	102,831	-	5,308	-	-
2016	2,656,017	126,516	-	10,966	-	-
2017	2,798,796	257,735	-	18,159	181	-

*Tap connection includes tap fee and plant investment fee.

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

<u>Fiscal Year</u>	<u>Land Sales</u>	<u>Fees</u>	<u>Interest</u>	<u>Transfer In</u>	<u>Other</u>
2008	190,273	-	42,889	-	-
2009	19,017	-	12,648	-	-
2010	-	59,835	778	149,550	218
2011	31,019	35,430	-	131,013	-
2012	-	31,718	-	169,000	132
2013	-	34,656	-	174,500	-
2014	575,842	37,134	-	-	172
2015	345,500	42,538	-	-	152
2016	1,135,282	67,440	-	-	1,348
2017	74,498	96,629	-	-	250

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

<u>Fiscal Year</u>	<u>Admissions</u>	<u>Lessons</u>	<u>Other</u>	<u>Transfers In</u>
2008	21,466	12,374	3,985	40,000
2009	17,892	10,695	4,145	42,000
2010	19,006	11,115	4,062	40,000
2011	21,736	10,468	4,700	42,000
2012	21,785	12,994	4,550	27,000
2013	19,201	11,638	3,625	60,000
2014	13,616	7,556	3,615	56,000
2015	17,302	11,368	4,875	116,000
2016	19,997	9,370	4,500	30,000
2017	21,345	10,405	4,250	43,700

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

<u>Year</u>	<u>Government Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income*</u>	<u>Per Capita</u>
	<u>Capital Leases</u>	<u>Revenue Bonds & Notes</u>			
2008	21,734	6,921,067	6,942,801		214.87
2009	-	6,656,626	6,656,626		204.84
2010	448,664	6,382,184	6,830,848		245.02
2011	336,326	11,870,800	12,207,126		404.02
2012	228,594	11,322,356	11,550,950		379.12
2013	116,527	10,760,422	10,876,949		382.64
2014	-	10,192,635	10,192,635		360.57
2015	-	9,593,995	9,593,995		335.44
2016	767,460	8,373,932	9,141,392		301.48
2017	588,505	7,705,760	8,294,265		267.19

* Information not readily available for Pueblo West Metropolitan District.

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

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2008	-	-	0.00	0.00%	-
2009	-	-	0.00	0.00%	-
2010	-	-	0.00	0.00%	-
2011	-	-	0.00	0.00%	-
2012	-	-	0.00	0.00%	-
2013	-	-	0.00	0.00%	-
2014	-	-	0.00	0.00%	-
2015	-	-	0.00	0.00%	-
2016	-	-	0.00	0.00%	-
2017	-	-	0.00	0.00%	-

**PUEBLO WEST METROPOLITAN DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2017**

	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
Direct Debt	\$ 588,505	100.00%	588,505
Overlapping Debt -			
Pueblo County - General Obligation or Revenue	2,135,000	20.54%	438,487
Pueblo County - Certificates of Participation	81,720,000	20.54%	16,783,686
Pueblo County - Loans	-	20.54%	-
Pueblo County - Capital Leases	451,905	20.54%	92,812
School District 70 - General Obligation or Revenue	75,690,000	20.54%	15,545,242
School District 70 - Certificates of Participation	7,425,000	20.54%	1,524,949
School District 70 - Capital Leases	8,935,625	20.54%	1,835,202
Pueblo Regional Library - Certificates of Participation	9,185,000	20.54%	1,886,419
Southeast Colorado Water Conservancy District	<u>17,845,164</u>	20.54%	<u>3,665,047</u>
Total Direct and Overlapping Debt	<u>\$ 203,976,199</u>	20.54%	<u>\$ 42,360,349</u>

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

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

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

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

<u>Year</u>	<u>Assessed Valuation</u>	<u>Debt Limit Percentage</u>	<u>Debt Limit</u>	<u>Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>As a Percentage of Debt Limit</u>
2007	170,917,590	50%	85,458,795	-	50%	0%
2008	218,371,680	50%	109,185,840	-	50%	0%
2009	226,306,750	50%	113,153,375	-	50%	0%
2010	235,752,620	50%	117,876,310	-	50%	0%
2011	235,221,247	50%	117,610,624	-	50%	0%
2012	219,276,335	50%	109,638,168	-	50%	0%
2013	219,410,198	50%	109,705,099	-	50%	0%
2014	212,878,669	50%	106,439,335	-	50%	0%
2015	214,428,019	50%	107,214,010	-	50%	0%
2016	227,059,092	50%	113,529,546	-	50%	0%
2017	234,955,069	50%	117,477,535	-	50%	0%

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

<u>Year</u>	<u>Gross Revenues</u>	<u>Expense</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2007	13,643,561	8,321,926	5,321,635	275,000	316,066	591,066	9.0035
2008	8,905,822	5,090,911	3,814,911	275,000	305,066	580,066	6.5767
2009	7,956,603	5,889,334	2,067,269	290,000	295,441	585,441	3.5311
2010	9,202,144	5,594,144	3,608,000	300,000	284,249	584,249	6.1754
2011	10,094,470	6,260,121	3,834,349	536,561	322,167	858,728	4.4651
2012	10,681,173	5,396,011	5,285,162	536,561	360,050	896,611	5.8946
2013	12,178,716	6,044,183	6,134,533	551,561	349,138	900,699	6.8109
2014	10,558,867	7,338,869	3,219,998	557,414	330,446	887,860	3.6267
2015	10,677,255	5,704,747	4,972,508	588,267	312,380	900,647	5.5210
2016	12,252,655	7,307,579	4,945,076	759,120	160,319	919,439	5.3784
2017	12,803,161	7,010,320	5,792,841	659,120	162,336	821,456	7.0519

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

<u>Year</u>	<u>Population(1)</u>	<u>Per Capita Income(2)</u>	<u>Age(3)</u>	<u>School Enrollment(4)</u>	<u>Unemployment Rate(5)</u>	<u>Consumer Price Index(6)</u>
2008	32,312	25,440	35.3	4,851	6.1%	3.90%
2009	32,497	25,297	35.3	4,749	8.6%	-0.65%
2010	27,879	24,453	35.2	5,066	9.0%	1.87%
2011	30,214	24,110	35.3	5,093	8.3%	3.69%
2012	30,468	24,581	37.8	5,110	7.5%	1.94%
2013	28,426	27,315	38.1	5,171	6.2%	2.77%
2014	28,268	27,428	38.3	5,188	4.0%	2.77%
2015	28,601	27,926	38.6	5,304	3.5%	1.18%
2016	30,322	27,025	38.7	5,317	2.9%	2.77%
2017	31,042	31,569	39.1	5,396	3.0%	2.77%

(1) 2008 through 2009 population calculated by taking number of built units multiplied by 2.8 residents per unit. 2010 through 2017 population provided by Pueblo County GIS.

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

(3) 2010 figure provided by U.S. Census Bureau. 2008 - 2009 and 2011 - 2017 information provided by Pueblo County GIS.

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

(5) Information not readily available for Pueblo West Metropolitan District. Rate provided is for the State of Colorado. <http://www.bls.gov>

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

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

<u>Employer</u>	<u>Employees</u>	<u>2017 Rank</u>	<u>Percentage of Total District Employment</u>	<u>Employees</u>	<u>2008 Rank</u>	<u>Percentage of Total District Employment</u>
WalMart Supercenter	335	1	6.0%			
K R Swerdfeger Construction	250	2	4.5%	300	1	7.2%
ASI Constructors	200	3	3.6%			
Vision Mechanical	200	4	3.6%			
Safeway	118	5	2.1%	110	3	2.7%
PSC	100	6	1.8%	100	5	2.4%
San Isabel Electric Assn., Inc.	100	7	1.8%	84	6	2.0%
Andrews Produce, Inc.	90	8	1.6%	90	7	2.2%
Colorado Hazard Control LLC	60	9	1.1%			
Pueblo West Family Fun Center	55	10	1.0%			
Pate Construction Co Inc				150	2	3.6%
Pueblo West High School				110	4	2.7%
Ferguson Enterprises, Inc.				66	8	1.6%
Sierra Vista Elementary School				65	9	1.6%
Dale Spradley Mazda				60	10	1.4%

Source: Pueblo County Government GIS Department.

Percentage of employment was derived by dividing number of employees per business by total employees for all companies within the boundaries of Pueblo West Metropolitan District.
Total for 2008 was 4,149 Total for 2017 was 5,593

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government	19.0	19.0	19.0	19.0
Fire -				
Firefighters & officers	15.0	15.0	15.0	15.0
Command Staff	3.0	3.0	3.0	3.0
Streets and roads -				
Engineering	3.0	2.0	3.0	3.0
Maintenance	12.0	11.0	11.5	11.5
Culture and recreation	6.0	7.0	6.0	6.0
Community Development	0.0	0.0	3.0	3.0
Swimming pool	2.0	2.0	2.0	0.0
Water/Sewer*	<u>30.0</u>	<u>29.0</u>	<u>29.0</u>	<u>29.0</u>
Total	<u>90.0</u>	<u>88.0</u>	<u>91.5</u>	<u>89.5</u>

Source: Finance Office

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

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
19.0	19.0	22.0	22.0	24.5	19.0
18.0	18.0	18.0	18.0	18.0	18.0
3.0	3.0	3.0	3.0	3.0	3.0
3.0	3.0	3.0	3.0	5.0	5.0
11.0	14.0	12.0	12.0	12.0	12.0
7.0	7.0	7.0	7.0	8.0	8.0
4.0	4.0	4.0	4.0	4.0	4.0
0.0	0.0	0.0	0.0	0.0	4.0
<u>27.0</u>	<u>30.0</u>	<u>31.0</u>	<u>31.0</u>	<u>33.0</u>	<u>36.0</u>
<u>92.0</u>	<u>98.0</u>	<u>100.0</u>	<u>100.0</u>	<u>107.5</u>	<u>109.0</u>

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

	2008	2009	2010	2011
Community Development and Land Sales				
Number of single family home plans reviewed	161	85	77	52
Number of multi family home plans reviewed	8	-	-	-
Number of commercial plans reviewed	7	5	2	1
Number of accessory permits	733	509	619	613
Commercial lot sales	1	1	-	1
Residential lot sales	-	-	-	-
Fire				
Number of fire calls answered	514	505	521	555
Number of medical calls answered	1,626	1,435	1,598	1,667
Number of inspections	412	155	271	325
Streets and Roads				
Street grading (miles)	92.37	78.64	93.63	76.34
Culture and Recreation				
Number of programs offered	115	116	120	120
Attendance for programs	10,000	11,250	12,500	12,500
Swimming Pool				
Swimming pool admissions	10,885	11,000	11,000	11,000
Swim lesson attendance	1,472	1,000	1,000	1,000
Water				
New connections	222	76	83	41
Water main breaks	28	16	14	16
Average daily consumption (thousands of gallons)	4,510	4,416	4,756	4,871
Wastewater				
Average daily sewage treatment (thousands of gallons)	1,147	1,142	1,149	1,050

Source: Various government departments

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

2012	2013	2014	2015	2016	2017
35	47	47	87	141	233
-	-	-	-	-	2
5	1	4	7	9	9
595	552	577	629	634	903
-	-	3	8	16	7
-	-	-	1	-	1
621	569	622	555	747	790
1,759	1,785	1,895	2,170	2,142	2,325
220	280	306	265	433	488
46.40	211.10	79.00	65.00	68.00	28.00
120	123	120	115	113	114
12,500	12,550	12,550	12,000	12,000	12,100
13,999	12,150	12,200	11,500	11,350	11,333
890	900	900	780	800	820
36	42	35	60	116	187
16	31	20	11	10	9
5,073	4,717	4,652	4,608	5,002	4,488
1,180	1,221	1,193	1,465	1,505	1,490

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Fire				
Fire stations	3	3	3	3
Streets and Roads				
Paved/Chipsealed streets (miles)	227.60	228.97	218.67	218.67
Gravel roads (miles)	150.48	149.11	128.08	128.08
Non-accepted roads (miles)	56.80	55.43	57.03	57.03
Traffic signals	4	4	4	4
Culture and Recreation				
Parks acreage	73.50	293.50	293.50	293.50
Parks	5	5	5	5
Swimming pools	1	1	1	1
Tennis courts	4	4	4	4
Softball fields	3	3	3	3
Cattail Crossing (Pond) - Acres	3.75	3.75	3.75	3.75
Trails - miles	2.30	2.30	7.60	7.60
Water				
Water mains (miles)	407	409	410	411
Fire hydrants	2,103	2,108	2,119	2109
Maximum daily capacity (thousands of gallons)	16,000	16,000	16,000	16,000
Wastewater				
Sanitary sewers (miles)	118	121	126	126
Average daily treatment capacity (thousands of gallons)	1,800	1,800	1,800	1,800

Source: Various government departments

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

2012	2013	2014	2015	2016	2017
3	3	3	3	3	3
218.67	218.67	218.67	218.67	209.12	208.34
128.08	128.08	128.08	128.08	135.86	136.94
57.03	57.03	57.03	57.03	59.92	59.03
4	6	6	6	6	6
293.50	298.50	298.50	298.50	298.50	299
5	6	6	6	6	6
1	1	1	1	1	1
4	4	4	4	4	4
3	3	3	3	3	3
3.75	3.75	3.75	3.75	3.75	4
12.70	12.70	12.70	14.70	16.30	18.1
411	411	411	411	411	411
2,111	2,114	2,116	2,121	2,133	2,137
16,000	16,000	24,000	24,000	26,000	26,000
126	126	126	126	126	126
1,800	1,800	1,800	1,800	1,800	1,800