Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

city of PUEBLO colorado

E

RECEIVED
Office of the State Auditor
July 31, 2018

CITY OF PUEBLO, COLORADO
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2017

Prepared by:

Department of Finance

CITY OF PUEBLO, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	i
GFOA Certificate of Achievement for Excellence in Financial Reporting	vii
Organization Chart	viii
Elected officials	ix

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	4

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Statement of Net Position	18
Statement of Activities	19

Fund Financial Statements

Governmental Funds

Balance Sheet	21
Reconciliation of the Governmental Funds Balance Sheet with the Government-wide to Statement of Net Position	22
Statement of Revenues, Expenditures and Changes in Fund Balances	23
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	24

Proprietary Funds

Statement of Net Position	25
Statement of Revenues, Expenses and Changes in Net Position	26
Statement of Cash Flows	27

Fiduciary Funds

Statement of Fiduciary Net Position	28

Notes to Financial Statements	29

TABLE OF CONTENTS (Cont'd.)

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule - General Fund 105
Reconciliation of the Budgetary Basis of Accounting to GAAP Basis of Accounting - General Fund 106
Budgetary Comparison Schedule - Economic Development 1/2 Cent Tax Fund 107
Reconciliation of the Budgetary Basis of Accounting to GAAP Basis of Accounting - Economic Development 1/2 Cent Tax Fund 108
Budgetary Comparison Schedule - HUD Grants Fund 109
Reconciliation of the Budgetary Basis of Accounting to GAAP Basis of Accounting - HUD Grants Fund 110
Notes to Required Supplementary Information 111
Schedule of Funding Progress - Fire Other Post-Employment Benefit Plan 112
Schedule of Funding Progress - Police Other Post-Employment Benefit Plan 113
Schedule of the City's Proportionate Share of the Net Positions Liability/(Asset) - PERA LGDTF 114
Schedule of the City's Contributions – PERA LGDTF 115
Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset) – FPPA – New Hire Fire and Police Fund 116
Schedule of the City's Contributions FPPA – New Hire Fire and Police Pension Fund 117
Schedule of Changes in the City's Net Position Liability and Related Ratios - Pueblo Old Hire Police Pension Plan 118
Schedule of City's Contributions - Pueblo Old Hire Police Pension Fund 119
Schedule of Changes in the City's Net Pension Liability and Related Ratios – Pueblo Old Hire Fire Pension Fund 120
Schedule of City's Contributions - Pueblo Old Hire Fire Pension Fund 121

SUPPLEMENTARY INFORMATION

EXPLANATION OF FUNDS 122

Combining, Individual Fund Financial Statements and Schedules - Nonmajor Governmental Funds:
Combining Balance Sheet 125
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 127

SPECIAL REVENUE FUNDS

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:
Intergovernmental Fund 129
Special Charges Fund 130
Stimulus Grants Fund 131
Southpointe Special District Fund 132
Bandera Blvd. Special District Fund 133
North Gateway BID Fund 134
North Gateway PIF Fund 135
Other Special Revenue Fund 136

SUPPLEMENTAL INFORMATION (Cont'd.)

CAPITAL PROJECTS FUNDS
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:
Public Improvement Fund 137
Police Building Fund 138

DEBT SERVICE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:
Debt Service Fund 139

ENTERPRISE FUNDS
Combining Statement of Net Position 140
Combining Statement of Revenues, Expenses and Changes in Net Position 141
Combining Statement of Cash Flows 142
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:
Memorial Hall Fund 143
Golf Course Enterprise Fund 144
Sewer User Fund 145
Stormwater Utility Fund 146
Memorial Airport Fund 147
Honor Farm Fund 148
Transportation Services Fund 149
Parking Facilities Fund 150

INTERNAL SERVICE FUNDS
Combining Statement of Net Position 151
Combining Statement of Revenues, Expenses and Changes in Net Position 152
Combining Statement of Cash Flows 153
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Internal Service Fund 154

AGENCY FUND
Agency Fund:
Statement of Changes in Fiduciary Assets and Liabilities 155

OTHER SCHEDULES
Schedule of Passenger Facility Charge Collected and Expended 156
Local Highway Finance Report 157

TABLE OF CONTENTS (Cont'd.)

STATISTICAL SECTION

Net Position by Component	159
Changes in Net Position	160
Fund Balances, Governmental Funds	163
Changes in Fund Balances, Governmental Funds	164
General Government Tax Revenue by Source	165
Taxable Sales by Category	166
Property Tax Levies and Collections	167
Assessed Value and Estimated Actual Value of Taxable Property	168
Property Tax Rates of Direct and Overlapping Governments	169
Principal Property Taxpayers	170
Principal Sales Taxpayers	171
Ratios of Outstanding Debt by Type	172
Ratios of Net General Obligation Debt Outstanding	173
Computation of Direct and Overlapping Governmental Activities Debt	174
Legal Debt Margin Information	175
Pledged Revenue Coverage	176
Demographic and Economic Statistics	177
Principal Employers	178
Full Time Equivalent Employees by Function/Program	179
Operating Indicators by Function/Program	180
Capital Asset Statistics by Function/Program	181

Introductory Section

July 31, 2018

To the Citizens, Honorable City Council President and Members of the City Council of the City of Pueblo, Colorado:

The Comprehensive Annual Financial Report (CAFR) of the City of Pueblo, Colorado (the City) for the fiscal year ended December 31, 2017, is hereby submitted fulfilling all legal and mandatory requirements.

Prepared by the Finance Department, this report consists of management's representations concerning the finances of the City of Pueblo.

The CAFR is published to present our citizens, City Council, City Staff, and other interested parties with detailed information concerning financial position and activities of the City. The City management assumes full responsibility for the completeness, accuracy and reliability of the information contained in this report based upon a comprehensive framework of internal control that has been established for this purpose.

We believe the data presented and the enclosed report is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of the operation of the City as measured by the financial activity of its various funds. The accompanying disclosures are necessary to enable the reader to gain the maximum understanding of the City's financial affairs.

An independent certified public accounting firm audits the basic financial statements. The purpose of the audit is to ensure that the financial statements present fairly, in all material respects, the financial position and the results of operations of the City.

The organization, form and contents of this report in addition to the accompanying financial statements and statistical tables and charts are prepared in accordance with generally accepted accounting principles (GAAP) and as prescribed by the Government Accounting Standards Board (GASB). This means that the statements have been prepared using guidelines that would allow the user to make a meaningful comparison to the financial statements of other similar entities. All disclosures necessary to enable the reader to gain an understanding of the City of Pueblo's activities have been included.

Accounting principles generally accepted in the United States require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Pueblo's MD&A can be found immediately following the report of the independent auditors.

The City of Pueblo is required to undergo an annual single audit in conformity with the provisions of the Revised Single Audit Act of 1996 and the United States Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Pueblo's separately issued Single Audit Report.

The comprehensive annual financial report for the City of Pueblo includes the activities of the primary government (City of Pueblo) and the component units. A component unit is a legally separate organization or entity for which the elected officials of the primary government are financially accountable. Component units, although they are legally separate entities, are in substance part of the primary government's operations and therefore included for financial reporting purposes. The component units included within the City of Pueblo's financial statements are the Pueblo Urban Renewal Authority, the Pueblo Main Street Garage Corporation created in 2006 to accommodate the construction and financing of a 700-car parking structure, and the Pueblo Municipal Rail Corporation formed in 2013 to build a new rail spur as part of an economic development agreement. Separate financial statements for these component units have also been issued. The City of Pueblo also has several blended component units including Pueblo Transit, Pueblo Municipal Property Corporation (PMPC), Pueblo Municipal Building Corporation (PMBC), Bandera Boulevard Special Improvement Maintenance District, North Gateway #1 Business Improvement District (BID), North Gateway #1 Public Improvement Corporation (PIF), and the Southpointe Special Improvement Maintenance District. Although they are legally separate entities, the activity of these units are integral to the City of Pueblo primary government function and are contained in the primary government reports.

City Profile and Government Structure

The City of Pueblo was incorporated on April 18, 1886. It adopted its current home rule charter on April 6, 1954. Pueblo is located on Interstate 25 in Pueblo County approximately 115 miles south of Denver, and 45 miles south of Colorado Springs, Colorado. The City of Pueblo encompasses 54 square miles and is made up of residential, commercial, and industrial properties, as well as several areas of open space. The City maintains 127 parks covering a total of 835 acres. In addition, the City possesses a 600-acre Nature and Wildlife Discovery Center located in the foothills just to the southwest of the city.

The estimated population for the City of Pueblo reported by the U.S. Census Bureau was 111,127 in 2017.

The City of Pueblo operates under the Council-Manager form of government. Policymaking and legislative authority are vested with the City Council. The Council is made up of a seven-member board consisting of four district representatives and three at-large members. All Council positions are elected to four-year staggered terms. The Council is responsible for, among other things, setting City policy, adopting ordinances and resolutions, adopting the budget, and appointing committee members. The City Council also appoints the City Manager and the Municipal Court Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, as well as overseeing the day-to-day operations of the City. The City Manager appoints the City's Department Directors and the City Attorney.

In November 2017, the citizens of the City of Pueblo voted to change the structure of local governance from Council/Manager to Mayor/Council to become effective in 2018.

Commissions and committees play an integral role in the governmental structure of Pueblo. Advisory commissions and committees provide many opportunities for citizens to participate in the affairs of the City of Pueblo. Although final decisions must be made by the City Council, several advisory committees and commissions review issues and make recommendations to the City Council on various matters.

Economic Condition and the Local Economy

The City of Pueblo is the center of trade and services for south-central Colorado. With land area of 54 square miles and population of 111,127, Pueblo is currently the 9th largest city in the State of Colorado in addition to being the most critical hub of health care, transportation, post-secondary education, retail, arts and entertainment and manufacturing activities in southern Colorado. The City's population grew by over 800 persons from 2016 to 2017 and although the City's population growth rate has been slow, other areas such as Pueblo West, a Special Metro District, just west of the City limits experienced a greater population growth. With north-south access from Interstate 25 and east-west access from Highways 50 the City of Pueblo located on a vital national transportation corridor. Colorado State University – Pueblo and Pueblo Community College have facilities located within the City providing excellent higher education opportunities.

The consumer spending supports nearly 70 percent of all economic activities in Pueblo. Correspondingly, retail sales tax revenue, a key indicator of the area consumer spending is the primary source of income for the City. Pueblo's sales tax is generated from a balanced variety of business categories including auto sales, department stores, misc. retail sales, restaurants and utilities. Sales tax is generated directly from the City's own applied tax rate. Since the start of the great recession, the sales tax revenue for the City of Pueblo has been gradually recovering and indeed surpassing what it was prior to the great recession. At the start of the great recession, the 2009 sales and use tax revenue decreased by 1.8 percent compared to 2008. On-going regional and local economic slump caused another drop of nearly 2.0 percent in tax revenue collection in 2010 compared to 2009. In 2011, the sales tax

revenue improved slightly and increased by 0.3 percent compared to 2010. In 2012, sales and use tax revenue finally began moving up at healthier pace and the increase over the previous year reached 2.3 percent. During 2013, the sales and use tax revenue increased by 2.0 percent compared to 2012. In 2014, the sales and use tax followed a similar trend and was up 2.2 percent compared to 2013. We expected an improved trend from this point forward. The sales and use tax revenue in fact exceeded our expectation and jumped 7.4 percent in 2015 compared to 2014 and another 7.4 percent leap in 2016. The pace of growth in sales and use tax slowed in 2017. The City's sales and use tax revenue grew 1.3 percent in 2017 compared to the previous year.

The City, once dependent on steel manufacturing, has diversified it's economic base since it experienced large-scale layoffs in the early 1980's. The City benefits from a stable and relatively diversified economic foundation now and is being touted as desirable place to work and live. Consequently, the number of unemployed workers has decreased in recent times. The unemployment rate in Pueblo, an important indicator of local economic health, declined to 4.7 percent by December 2017.

Several critical economic development projects have occurred and a few more are on the horizon, which should provide a positive impact on Pueblo's economic growth over the next few years, including several international firms opening manufacturing operation in the City in 2015 and 2016 in addition to opening of a major retail shopping area in the north part of the City.

The City of Pueblo, by way of its economic development incentive and other opportunities, promote several areas of the City for mixed use office, retail, residential and commercial districts as well as manufacturing and industrial areas. These efforts are to provide diverse development opportunities and remain on-going priorities for the future of the City of Pueblo.

Budgetary Controls

The City adopts both an operating budget and a capital budget. The provisions of these budgets are directly posted into the City's general ledger accounting system to help ensure compliance with the appropriations made by the City Council.

Activities of the general fund, special revenue funds, and certain capital project funds are adopted in the operating budget. Amounts appropriated for each year in the operating budget lapse at the end of each fiscal year. The City Council also adopts amounts in the operating budget for the proprietary and internal service funds to provide a level of fiscal control.

Although many capital projects are multi-year, amounts unspent at the end of each fiscal year are closed out and re-budgeted in the next fiscal year. Once a project is complete, any unspent funds are returned to their original funding source and may be used for other projects as approved by the City Council.

General Government Functions

The City directly provides many essential services for the betterment of the Pueblo community. These include fire protection, police services, infrastructure maintenance, planning, culture, recreation (80 parks plus numerous recreational activities), housing programs, and administrative services.

All of the above functions are accounted for in expenditure categories consisting of General Government, Public Safety, Public Works, Culture and Community Welfare, Parks and Recreation, and Economic Development.

Proprietary Operations

The City's financial statements include the enterprise fund operations of the City sewer fund, the stormwater fund, airport operations, transit operations, parking facilities, Pueblo Motor sports Park (PMP) and two golf courses.

Debt Administration

The City of Pueblo's debt, which consists primarily of long term notes payable, certificates of participation, and capital lease purchases are administered by the Finance Department with overview by the City Manager's office, the City Attorney, and City Council. Bond trustee statements are reconciled in a timely manner and debt service reserve accounts are maintained in accordance with prescribed requirements in the related bond trust indentures. The City, for debt structuring and restructuring purposes and guidance in the related decision processes, utilizes an independent outside Financial Advisor.

Independent Audit

Each year the City has an audit performed by an independent certified public accounting firm. This year the firm of Anton Collins Mitchell, LLP of Denver, Colorado performed the audit. The auditors also conducted a "single audit" designed to meet the requirements of the federal Revised Single Audit Act of 1996 and the related U.S. Office of Management and Budget's Circular A-133. The auditors' report on the basic financial statements can be found in the financial section of this report. The auditors' report on internal controls and compliance with applicable laws and regulations can be found in a separately issued single audit report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pueblo for its comprehensive annual financial report for the year ending December 31, 2016. This was the 40th year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City 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.

Acknowledgments

The preparation of this comprehensive annual financial report could not have been accomplished without the efficient and dedicated services of the entire finance staff throughout the fiscal year. We would like to express our appreciation to all of those individuals who assisted and contributed to the preparation of this report. We take this opportunity to extend our gratitude to all City employees throughout the organization who have the responsibility of maintaining daily financial records. Appreciation and recognition is also extended to the accounting firm of Anton Collins Mitchell, LLP for the assistance and advice they provided during this audit and throughout the year.

We express gratitude to the City Council Members for their interest and continued support in planning and directing the financial operation of the city in a responsible and progressive manner.

Respectfully submitted,

Sam Azad,
City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pueblo

Colorado

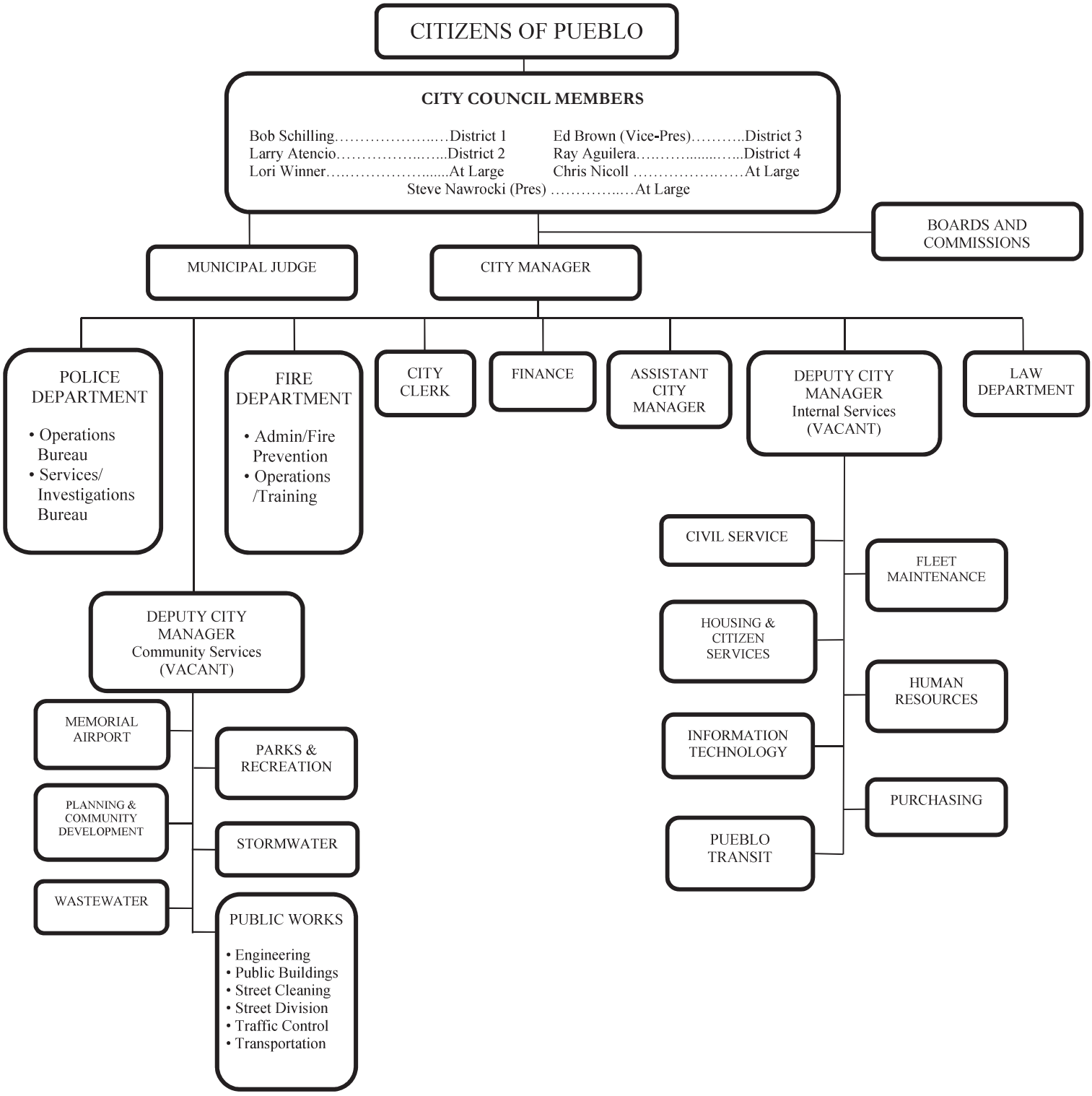
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO

ORGANIZATIONAL CHART



Revised 10-13-16

CITY OF PUEBLO
COLORADO

2017
COMPREHENSIVE ANNUAL FINANCIAL REPORT

COUNCIL PRESIDENT
Stephen G. Nawrocki

COUNCIL MEMBERS
Ray Aguilera
Lawrence Atencio
Ed Brown
Christopher A. Nicoll
Bob Schilling
Lori Winner

CITY MANAGER
Sam Azad

Financial Section

ACM
Anton Collins Mitchell LLP
Accountants & Consultants

Independent Auditor's Report

City Council
City of Pueblo, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pueblo, Colorado (the "City"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City'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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pueblo Urban Renewal Authority (the "Authority"). Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's 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.

2015 Clubhouse Drive, Suite 203
Greeley, Colorado 80634
970.352.1700 · Fax 970.352.1708 · www.acmllp.com

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pueblo, Colorado, 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 17 and the budgetary comparison schedules, and required pension schedules on pages 105 through 121 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the local highway finance report, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

ACM
Anton Collins Mitchell LLP
Accountants & Consultants

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated July 31, 2018 on our consideration of the City of Pueblo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Pueblo's internal control over financial reporting and compliance.

Anton Collins Mitchell LLP

Greeley, Colorado
July 31, 2018

CITY OF PUEBLO, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the City of Pueblo, Colorado (the City) offers the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2017. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal found in the introductory section of this annual report.

FINANCIAL HIGHLIGHTS

On the Government–wide financial statements, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2017 by $608.8 million (net position), $415.9 million in governmental activities and $192.9 million in business-type activities. The City's net position increased by $16.2 million or 2.7% as a result of current year activity.

The General Fund, the City's primary operating fund, ended 2017 with a $31.6 million fund balance, an increase of $3.2 million. Of this amount, $8.5 million or 10% of expenditures and transfers-out is committed by City Council as a minimum reserve for major unanticipated emergencies.

General fund revenues including transfers in increased $3.1 million and expenditures including transfers out increased by $6.1 million in 2017. The increase in revenue was largely due to a $2.1 million payment received in lieu of rent payments on a City-owned building.

The City's total long-term debt decreased by $5.5 million during the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended as an introduction to the City's basic financial statements. The basic financial statements consist of the following three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, also provided are required and other supplementary information.

Information contained within the financial statements includes not only that of the City of Pueblo, the *primary government,* but also information regarding the discretely presented *component units* of the City of Pueblo. The Pueblo Urban Renewal Authority, The Pueblo Main Street Garage Corporation and the Pueblo Municipal

Rail Corporation are considered discretely presented component units of the City of Pueblo.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, in a manner similar to a private sector business. Information contained within the government-wide statements includes the entire City government (except fiduciary funds) and the City's discretely presented component units. These statements use the accrual basis of accounting with the measurement focus on that of economic resources.

The *Statement of Net Position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows 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 City is improving or deteriorating.

The *Statement of Activities* presents information reflecting how the City's net position has changed during the fiscal year just ended. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City of Pueblo that are primarily supported by taxes and intergovernmental revenues *(governmental activities),* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities).* The governmental activities of the City of Pueblo include general government, public safety, public works, culture and community welfare, parks and recreation, economic development, and interest on long-term debt. The business-type activities of the City of Pueblo include the golf courses, sewer user utility, stormwater utility, the airport, transportation services, the Honor Farm, parking facilities and Memorial Hall.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact on financial resources that can be spent in the near future to finance the City's programs. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund, Economic Development ½ Cent Tax Fund, the HUD Grants Fund, and the Public Improvements Fund which are all considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The City maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its golf courses, sewer user utility, stormwater utility, the airport, transportation services, parking facilities, the Honor Farm and Memorial Hall. The City uses internal service funds to account for its fleet of vehicles, workers' compensation and liability self-insurance, telephone technology, and labor services for public transportation. The internal service funds provide services which predominantly benefit governmental rather than business-type functions. They have been included within governmental activities and, where necessary, business-type activities, with an adjustment to reflect the consolidation for internal service fund activities related to the enterprise funds in the government-wide financial statements.

Proprietary funds financial statements provide the same information as the government-wide financial statements, only in more detail. Golf Enterprise, Sewer User, Stormwater Utility and Memorial Airport enterprise funds are considered to be major enterprise funds and therefore are presented separately within the proprietary fund financial statements. Data for the other four enterprise funds are combined into a single aggregated presentation. Individual fund data for these non-major enterprise funds is provided in the form of combining statements elsewhere is this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds

is much like that used for proprietary funds. The basic fiduciary fund financial statements are presented later in this report.

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information. Required supplementary information is included in addition to the basic financial statements and accompanying notes. The required supplementary information includes budgetary comparisons for the designated major funds.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information portion of the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City of Pueblo, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by $608.8 million at December 31, 2017. By far, the largest portion of the City's net position (83.1%) reflects its investment of $495 million in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure including streets and underground drainage systems), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's 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.

An additional portion of the City's net position, $100.1 million (16.6%) represents resources that are subject to restrictions as to how they may be used. The unrestricted net position as a whole shows a surplus of nearly $12.6 million, however it is important to note that the governmental activities unrestricted fund balance shows a deficit of $10.9 million, and the $23.6 million unrestricted net position in the city's business-type activities may not be used to fund governmental activities.

The following table reflects the condensed Statement of Net Position as of December 31, 2017 and 2016:

City of Pueblo
Summarized Statement of Net Position

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	$ 167,219,097	$ 161,824,196	$ 35,891,667	$ 32,216,283	$ 203,110,764	$ 194,040,479
Capital assets	345,212,765	345,158,377	196,402,409	191,112,244	541,615,174	536,270,621
Total assets	**512,431,862**	**506,982,573**	**232,294,076**	**223,328,527**	**744,725,938**	**730,311,100**
Deferred outflows of resources	25,453,550	22,497,036	3,334,647	2,927,228	28,788,197	25,424,264
Current and other liabilities	7,582,892	8,817,232	1,809,735	3,761,807	9,392,627	12,579,039
Long-term liabilities outstanding	98,152,209	94,874,054	40,689,762	40,248,744	138,841,971	135,122,798
Total liabilities	**105,735,101**	**103,691,286**	**42,499,497**	**44,010,551**	**148,234,598**	**147,701,837**
Deferred inflows of resources	16,192,732	15,045,413	258,362	415,954	16,451,094	15,461,367
Net position						
Net investment in capital assets	325,980,692	322,263,921	169,296,964	163,146,725	495,277,656	485,410,646
Restricted	100,958,399	95,030,761	-	-	100,958,399	95,030,761
Unrestricted	(10,981,512)	(6,551,772)	23,573,900	18,682,525	12,592,388	12,130,753
Total net position	$ 415,957,579	$ 410,742,910	$ 192,870,864	$ 181,829,250	$ 608,828,443	$ 592,572,160

The City's total net position increased by $16.2 million in 2017, due to an increase in program and general revenues, as well as operating grants and contributions. Details of capital asset activity can be seen in an additional chart further on in this report. Unrestricted net position showed very little change with an increase of $461 thousand.

Remainder of page intentionally blank

Changes in net position. The following table reflects the City's changes in net position for the years ended December 31, 2017 and 2016:

City of Pueblo
Summarized Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2017	2016	2017	2016	2017	2016
Revenue:						
Program revenues:						
Charges for services	$ 9,901,942	$ 9,013,759	$ 32,058,716	$ 30,651,696	$ 41,960,658	$ 39,665,455
Operating grants and contributions	9,345,632	14,328,624	2,732,228	7,037,900	12,077,860	21,366,524
Capital grants and contributions	6,974,583	9,620,950	61,883	747,707	7,036,466	10,368,657
General revenues:					-	-
Property taxes	13,111,640	13,363,615	-	-	13,111,640	13,363,615
Special property taxes	41,669	40,115	-	-	41,669	40,115
Franchise and other taxes	7,483,814	7,315,083	-	-	7,483,814	7,315,083
Sales and use taxes	61,604,922	61,553,748	-	-	61,604,922	61,553,748
Payment in lieu of taxes	9,859	9,859	-	-	9,859	9,859
Investment earnings	734,768	452,532	264,471	980,331	999,239	1,432,863
Other	4,024,976	3,962,782	594,208	189,461	4,619,184	4,152,243
Total revenues	113,233,805	119,661,067	35,711,506	39,607,095	148,945,311	159,268,162
Expenses:						
General government	13,327,614	13,947,968		-	13,327,614	13,947,968
Public safety	49,623,376	46,540,217		-	49,623,376	46,540,217
Public works	11,746,051	17,710,527		-	11,746,051	17,710,527
Culture and community welfare	7,911,436	8,548,558		-	7,911,436	8,548,558
Parks and recreation	7,511,512	6,897,741		-	7,511,512	6,897,741
Economic development	5,539,464	(845,556)		-	5,539,464	(845,556)
Other	735,897	544,756		-	735,897	544,756
Interest on long-term debt	712,937	411,047		-	712,937	411,047
Golf enterprise	-	-	2,333,926	3,100,949	2,333,926	3,100,949
Sewer user	-	-	14,625,289	12,038,544	14,625,289	12,038,544
Stormwater utility	-	-	4,707,825	7,314,843	4,707,825	7,314,843
Memorial airport	-	-	3,314,382	3,351,658	3,314,382	3,351,658
Honor Farm	-	-	119,706	92,849	119,706	92,849
Transportation Services	-	-	5,021,307	5,459,221	5,021,307	5,459,221
Parking Facilities	-	-	804,026	622,435	804,026	622,435
Memorial Hall	-	-	1,751,773	1,687,794	1,751,773	1,687,794
Pueblo Transit	-	-	2,902,507	2,552,522	2,902,507	2,552,522
Total expenses	97,108,287	93,755,258	35,580,741	36,220,815	132,689,028	129,976,073
Increase in net position before transfers	16,125,518	25,905,809	130,765	3,386,280	16,256,283	29,292,089
Transfers out, net	(10,910,849)	(3,925,294)	10,910,849	3,925,294	-	-
Increase in net position	5,214,669	21,980,515	11,041,614	7,311,574	16,256,283	29,292,089
Net position beginning of year, (as restated)	410,742,910	388,762,395	181,829,250	174,517,676	592,572,160	563,280,071
Net position end of year	$ 415,957,579	$ 410,742,910	$ 192,870,864	$ 181,829,250	$ 608,828,443	$ 592,572,160

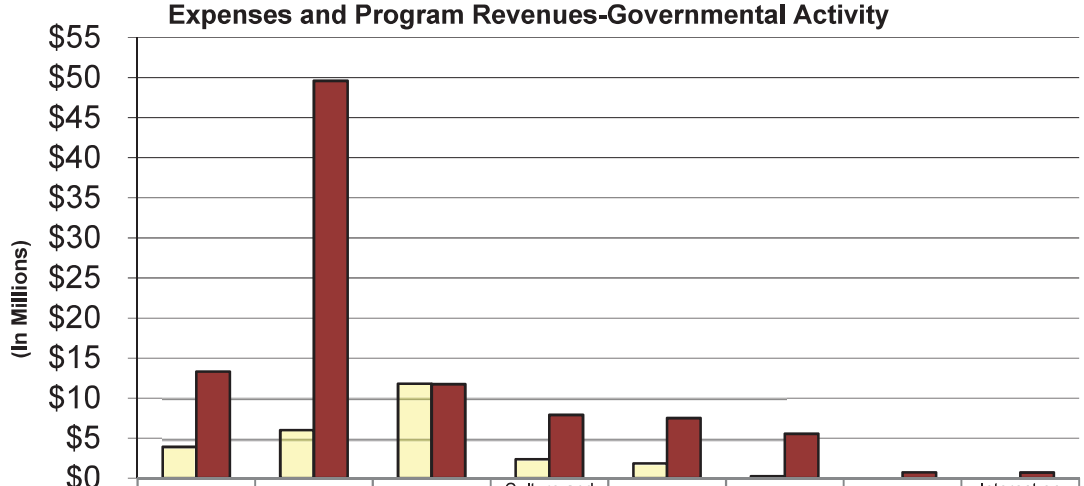
Governmental activities increased the City's net position by $5.2 million, accounting for 32% of the City's $16.3 million overall increase in net position. Key elements of the increase are as follows:

Property tax and sales and use taxes totaled 72.6% of all governmental activities' revenues. Property taxes increased $250 thousand in 2017, while sales and use taxes, as reported on this statement, increased $2.9 million.

Operating grants and contributions were nearly $5 million less in 2017 than in 2016, while capital grants and contributions increased by $2.6 million.

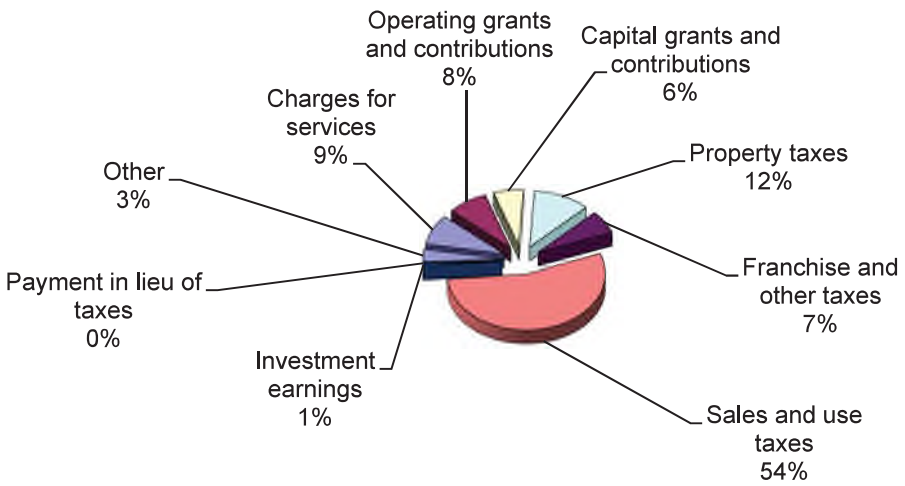
Total expenses increased by $3.3 million, driven by the completion of the completion of the Dillon Flyover project.

Expenses and Program Revenues-Governmental Activity



	General government	Public safety	Public works	Culture and community welfare	Parks and recreation	Economic development	Other	Interest on long-term debt
Program Revenue	$3,915,422	$6,014,667	$11,810,006	$2,372,128	$1,855,631	$254,303	$-	$-
Expenses	$13,327,614	$49,623,376	$11,746,051	$7,911,436	$7,511,512	$5,539,464	$735,897	$712,937

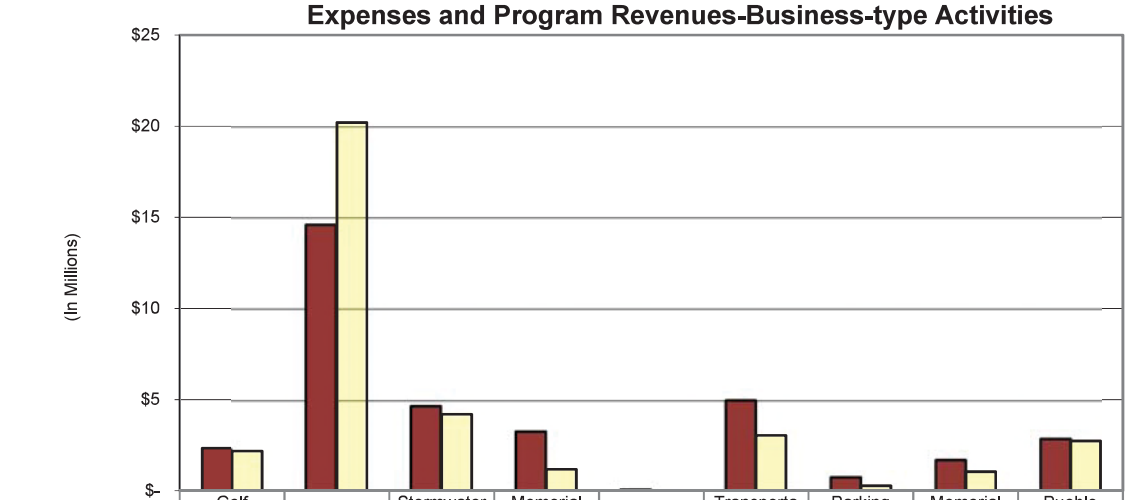
Revenues by Source-Governmental Activities



Business-type activities increased the City's net position by $11 million, accounting for 68% of the City's $16.3 million overall increase in net position. Key elements of the increase are as follows:

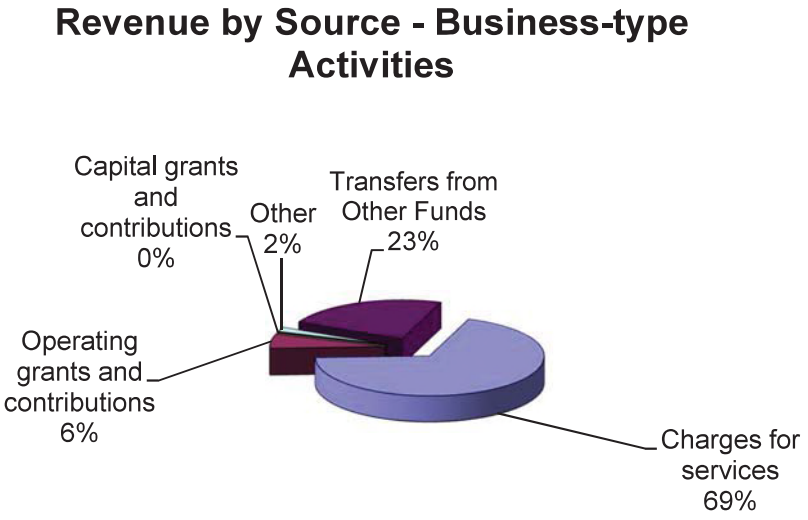
Total revenues were $35.7 million, $3.9 million less than in 2016. Operating grants and contributions decreased by $4.3, capital grants and contributions decreased by $686 thousand, while charges for services saw an increase of $1.4 million.

Total business-type expenses totaled $35.6 million in 2017, a decrease of $640 thousand as compared to the prior year. Sewer user expenses increased $2.5 million, while Stormwater Utility expenses decreased by $2.6 million. Other variances from prior year were relatively small.



	Golf enterprise	Sewer user	Stormwater utility	Memorial Airport	Honor Farm	Transportation services	Parking Facilities	Memorial Hall	Pueblo Transit
Expenses	$2,333,926	$14,625,289	$4,707,825	$3,314,382	$119,706	$5,021,307	$804,026	$1,751,773	$2,902,507
Program Revenues	$2,178,770	$20,199,200	$4,198,118	$1,180,300	$20,656	$3,034,442	$268,979	$1,043,984	$2,728,378

Remainder of page intentionally blank



GOVERNMENT FUNDS FINANCIAL ANALYSIS

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2017, the total Governmental fund balances were $132.1 million, an increase of $4.6 million from the prior year. Approximately 76% or $100.9 million of the total fund balance is special revenue funds that are restricted for particular purposes which includes $2.7 million for the TABOR emergency reserve. All of the $82.6 million in the Economic Development Fund is restricted due to voter constraints. The City Council has committed $8.5 million of fund balance as a minimum reserve for unanticipated emergencies. The unassigned fund balance was $7.7 million as of year-end. Additional information is contained in the notes to the financial statements, **Note III-I.**

The General Fund is the City's chief operating fund of the City. As of December 31, 2017, the total fund balance was $31.6 million. The fund balance committed to be used for specific purposes by formal action by City Council was $8.5 million and the

fund balance assigned intended for specific purposes was $10.8 million. There was $7.7 million of unassigned fund balance as of December 31, 2017. The General Fund increased by $3.2 million in 2017, largely due to a one-time $2.1 million payment in lieu of rents on a City-owned property.

Total General Fund revenues, including transfers in of $4.7 million, increased by $3.8 million or 3.6%. Property Taxes decreased $252 thousand and Sales and Miscellaneous Taxes decreased by $476 thousand. Charges for services decreased $156 thousand.

Total General Fund expenditures, including transfers out, increased by $6.1 million or 7.7%.

The Economic Development Fund is a major fund of the City. As of December 31, 2017, the total fund balance was $82.6 million and increased by $6.8 million from 2016. Total expenditures increased by $4.1 million from the prior year.

The HUD Grants Fund is another major fund of the City. As of December 31, 2017, the total fund balance was nearly $5.4 million and increased by $777 thousand from 2016.

The Public Improvements Fund, as of December 31, 2017, had a total fund balance of $3.4 million, which decreased $6.4 million from the prior year. This fund has large changes from year to year in fund balance as the revenue stream depends on intergovernmental grants received for capital projects. In 2017, expenditures increased by $1.2 million over 2016. The major project accounted for in this fund is the Dillon Flyover project, which was completed in 2017. The fund activity included revenue of $8.3 million, a decrease of $8.3 million from 2016. Current year expenditures totaled 15.3 million.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Sewer User Fund's revenues increased by $1.6 million in 2017 due to a rate increase to support ongoing improvements at the wastewater treatment facility. Other significant factors concerning the finances of the enterprise funds can be found in the discussion of the City's business-type activities.

The Stormwater Utility Fund saw a modest $370 thousand increase in revenues in 2017.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. The final budget appropriations were $3.1 million higher than the original budget appropriations. The General Fund required additional funding of $2.1 million for the Outlook & Wills construction project, $250 thousand for demolition of unsafe buildings, $300 thousand emergency appropriation for spring storm clean-up, $130,000 for a fire brush truck and playground equipment, $150 thousand additional for Memorial Hall operations, and $60 thousand to hire a Sr. Planner.

Final budget compared to actual. Total revenues were $2.4 million more than estimated. Intergovernmental revenues were $311 thousand more than estimated due to a $291 thousand COPS hiring grant which paid for several police officers' salaries for a few months of the year, and $20 thousand of Colorado Department of Transportation funds which paid for specific purpose police officer overtime.

The variance between actual expenditures and the final budget amounted to just under $3.5 million in unspent appropriations. The decreased expenditures were due in primarily to a large number of personnel vacancies across all departments.

The City ended the 2017 year having to use $574 thousand of fund balance reserves for operations in the current fiscal year.

Remainder of page intentionally blank

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City of Pueblo's investment in capital assets for its governmental and business-type activities at December 31, 2017, net of accumulated depreciation, totaled $495 million, a net increase of $9.9 million from 2016.

City of Pueblo
Capital Assets

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2017	2016	2017	2016	2017	2016
Land and nondepreciable assets	$ 95,760,594	$ 94,774,094	$ 4,488,472	$ 4,423,232	$ 100,249,066	$ 99,197,326
Land improvements	51,686,210	51,364,404	51,113,777	51,113,777	102,799,987	102,478,181
Infrastructure	184,293,663	177,917,087	102,965,241	99,613,887	287,258,904	277,530,974
Buildings	77,939,704	79,663,504	77,056,338	77,056,338	154,996,042	156,719,842
Machinery and equipment	42,370,192	42,148,524	20,197,081	19,322,672	62,567,273	61,471,196
Other improvements	-	-	26,398,937	26,398,937	26,398,937	26,398,937
Construction in progress	9,856,847	10,146,807	7,117,277	1,417,257	16,974,124	11,564,064
Accumulated depreciation	(116,694,445)	(110,856,043)	(92,934,710)	(88,233,856)	(209,629,155)	(199,089,899)
	$ 345,212,765	$ 345,158,377	$ 196,402,413	$ 191,112,244	$ 541,615,178	$ 536,270,621

Major changes to capital assets during the 2017 fiscal year included the following:

Governmental Activities:

- Additions to infrastructure –
  - Lime Road - $1.75 million
  - Various Handicap ramps - $1.19 million
  - Dillon Flyover – 2.8 million
- Additions to buildings –
  - City Bark Bathhouse $818 thousand
- Less: Sale of Shell building held for resale in the Economic Development Fund ($2.75 million)
- Additions to construction in progress in the governmental activities include:
  - 11th Street Bridge - $5.3 million
  - Outlook & Wills Blvds - $2.2 million
- Less: Capitalization Lime Rd and Dillion Flyover ($6.75 million)

Business-type Activities:

- Dillon Flyover Stormwater System - $2.5 million
- Airport Building roof replacements - $4.3 million

Additional information on the City's capital assets can be found in **Note III-E** in the notes to the financial statements.

Long-term debt. At December 31, 2017, the City had total debt outstanding of $62.8 million, a decrease of $5.5 million over 2016.

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2017	2016	2017	2016	2017	2016
General obligation bonds	$ -	$ -	$ -	$ -	$ -	$ -
Compensated absences	5,928,409	6,304,589	762,147	826,007	6,690,556	7,130,596
Notes payable	-	-	25,218,973	27,030,037	25,218,973	27,030,037
Capital lease obligations	3,176,780	4,556,837	1,886,471	1,427,643	5,063,251	5,984,480
Accrued interest payable	197,362	80,343	-	-	197,362	80,343
Certificates of participation	17,119,784	19,798,176	-	-	17,119,784	19,798,176
Claims and judgements	748,596	1,759,564	-	-	748,596	1,759,564
Net post employment benefit obligation	7,803,907	6,529,265	-	-	7,803,907	6,529,265
Total	$34,974,838	$ 39,028,774	$27,867,591	$29,283,687	$62,842,429	$68,312,461

Notes payable and certificates of participation note balances decreased due to debt service payments throughout the year. Net post-employment benefit obligations increased by $1.3 million due to the actuarially determined annual contribution necessary to fund the police and fire retirement plans. The remainder of the outstanding long-term debt obligations are in the form of actuarial claims pending on self-insured claims, net pension benefit obligations and compensated absences.

Additional information on the City's long-term debt can be found in **Note III-H** in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Fiscal year 2018 budget. The 2018 budget was prepared again during a slowly improving economic environment. The budget was prepared with the highest priority of protecting the City's core services and priorities and doing so in the most efficient and effective ways possible.

Sales and use tax revenue continues to be the principal source of income for the City's operating and capital budgets. The 2018 budget assumes a modest increase, 2% in sales and use tax, over the estimated actual amount for 2017. Estimated property tax revenue was 3.1% less than actual 2016 revenues.

The 2018 General Fund appropriation for expenditures (excluding transfers-out) is $5.3 million more than the 2017 revised budget. Measures were taken to keep expenditures in line with anticipated revenues.

The City of Pueblo will continue to monitor the fiscal health of the City and make necessary changes and adjustments to ensure that the City remains fiscally sound and continue to focus on efficiency in all areas of operations.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Pueblo's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Pueblo, Director of Finance, PO Box 1427, Pueblo, CO, 81002.

Basic Financial Statements

City of Pueblo, Colorado
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities	Total	Discretely-Presented Component Units: Pueblo Urban Renewal Authority	Pueblo Main Street Garage Corporation	Pueblo Municipal Rail Corporation
Assets						
Cash and cash equivalents	$ 12,269,344	$ 179,513	$ 12,448,857	$ 1,525,520	$ -	$ -
Restricted cash and cash equivalents	1,255,460	869,183	2,124,643	2,028,831	-	-
Investments	82,860,446	34,691,965	117,552,411	-	-	-
Restricted investments	-	-	-	20,723,923	-	-
Receivables, net	58,173,298	6,176,456	64,349,754	5,967,100	-	-
Internal balances	8,908,975	(8,908,975)	-	-	-	-
Due from other governmental agencies	1,795,148	2,229,176	4,024,324	-	-	-
Inventories	1,110,175	639,121	1,749,296	172,722	-	-
Other assets	846,252	15,228	861,480	-	-	-
Capital assets						
Land, improvements, intangibles, and construction in progress	105,617,441	11,548,646	117,166,087	1,539,626	-	529,620
Other capital assets, net of accum. depreciation	239,595,324	184,853,763	424,449,087	18,399,345	-	2,930,360
Total capital assets	345,212,765	196,402,409	541,615,174	19,938,971	-	3,459,980
Total assets	512,431,863	232,294,076	744,725,939	50,357,067	-	3,459,980
Deferred ouflows of resources						
Deferred amounts on refunding	1,164,125	-	1,164,125	974,462	-	-
Pension-related	24,289,425	3,334,647	27,624,072	88,845	-	-
Total deferred outflows of resources	25,453,550	3,334,647	28,788,197	1,063,307	-	-
Liabilities						
Accounts payable and accrued expenses	7,582,893	1,624,301	9,207,194	720,673	-	151,138
Advances from others	-	219,656	219,656	1,538,669	-	-
Accrued interest payable	197,362	-	197,362	-	-	-
Long-term liabilities						
Due within one year	4,571,218	2,211,096	6,782,314	2,572,891	-	572,637
Due in more than one year	30,206,258	25,656,493	55,862,751	40,595,861	-	1,752,567
Net pension liability	63,177,371	12,787,951	75,965,322	533,355	-	-
Total liabilities	105,735,102	42,499,497	148,234,599	45,961,449	-	2,476,342
Deferred inflows of resources						
Deferred revenue	15,369,890	-	15,369,890	4,346,966	-	-
Pension-related	822,842	258,362	1,081,204	-	-	-
Total deferred inflows of resources	16,192,732	258,362	16,451,094	4,346,966	-	-
Net position						
Net investment in capital assets	326,080,326	169,296,964	495,377,290	16,198,651	-	1,165,496
Restricted for						
TABOR	2,700,000	-	2,700,000	-	-	-
Economic development	82,656,550	-	82,656,550	-	-	-
Debt service and district projects	-	-	-	24,773,853	-	-
Capital projects	1,511,947	-	1,511,947	-	-	-
Public safety	1,592,260	-	1,592,260	-	-	-
Public works	5,114,361	-	5,114,361	-	-	-
Parks and recreation	1,119,625	-	1,119,625	-	-	-
Culture and community welfare	6,263,656	-	6,263,656	-	-	-
Unrestricted	(11,081,146)	23,573,900	12,492,754	(39,860,545)	-	(181,858)
Total net position	$ 415,957,579	$ 192,870,864	$ 608,828,443	$ 1,111,959	$ -	$ 983,638

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

City of Pueblo, Colorado
Statement of Activities
For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	$ 13,327,614	$ 3,915,422	$ -	$ -
Public safety	49,623,376	4,731,960	1,272,707	10,000
Public works	11,746,051	246,015	4,933,711	6,630,280
Culture and community welfare	7,911,436	292,396	1,999,732	80,000
Parks and recreation	7,511,512	716,149	1,139,482	-
Economic development	5,539,464	-	-	254,303
Other	735,897	-	-	-
Interest on long-term debt	712,937	-	-	-
Total governmental activities	97,108,287	9,901,942	9,345,632	6,974,583
Business-type activities				
Golf enterprise	2,333,926	2,178,770	-	-
Sewer user	14,625,289	20,199,200	-	-
Stormwater utility	4,707,825	4,198,016	-	102
Memorial airport	3,314,382	576,038	542,481	61,781
Honor farm	119,706	20,656	-	-
Transportation services	5,021,307	844,695	2,189,747	-
Parking facilities	804,026	268,979	-	-
Memorial Hall	1,751,773	1,043,984	-	-
Pueblo Transit	2,902,507	2,728,378	-	-
Total business-type activities	35,580,741	32,058,716	2,732,228	61,883
Total primary government	$ 132,689,028	$ 41,960,658	$ 12,077,860	$ 7,036,466
Component Units				
Pueblo Urban Renewal Authority	$ 9,950,825	$ 1,369,393	$ -	$ 979,167
Pueblo Main Street Garage Corporation	2,528,002	94,010	-	-
Pueblo Municipal Rail Corporation	96,754	-	-	-
Total component units	$ 12,575,581	$ 1,463,403	$ -	$ 979,167

General revenues and transfers	
Taxes	
Property taxes, levied for general purposes	
Property taxes, levied for specific purposes	
Franchise and other taxes	
Sales and use taxes	
Payment in lieu of taxes	
Unrestricted investment earnings	
Gain on asset exchange	
Miscellaneous	
Transfers	
Total general revenues and transfers	
Change in net position	
Net position, January 1	
Net position, December 31	

Net (Expense) Revenue and Change in Net Position			Discretely-Presented Component Units		
Governmental Activities	Business-Type Activities	Total	Pueblo Urban Renewal Authority	Pueblo Main Street Garage Corporation	Pueblo Municipal Rail Corporation
$ (9,412,192)	$ -	$ (9,412,192)			
(43,608,709)	-	(43,608,709)			
63,955	-	63,955			
(5,539,308)	-	(5,539,308)			
(5,655,881)	-	(5,655,881)			
(5,285,161)	-	(5,285,161)			
(735,897)	-	(735,897)			
(712,937)	-	(712,937)			
(70,886,130)	-	(70,886,130)			
-	(155,156)	(155,156)			
-	5,573,911	5,573,911			
-	(509,707)	(509,707)			
-	(2,134,082)	(2,134,082)			
-	(99,050)	(99,050)			
-	(1,986,865)	(1,986,865)			
-	(535,047)	(535,047)			
-	(707,789)	(707,789)			
-	(174,129)	(174,129)			
-	(727,914)	(727,914)			
(70,886,130)	(727,914)	(71,614,044)			
			$ (7,602,265)	$ -	$ -
			-	(2,433,992)	-
			-	-	(96,754)
			$ (7,602,265)	$ (2,433,992)	$ (96,754)
13,111,640	-	13,111,640	43,899	-	-
41,669	-	41,669	4,204,335	-	-
7,483,814	-	7,483,814	-	-	-
61,604,922	-	61,604,922	3,630,994	-	-
9,859	-	9,859	-	-	-
734,768	264,471	999,239	76,662	-	-
-	78,217	78,217	4,477,346	-	-
4,024,976	515,991	4,540,967	118,966	-	-
(10,910,849)	10,910,849	-	-	-	-
76,100,799	11,769,528	87,870,327	12,552,202	-	-
5,214,669	11,041,614	16,256,283	4,949,937	(2,433,992)	(96,754)
410,742,910	181,829,250	592,572,160	(3,837,978)	2,433,992	1,080,392
$ 415,957,579	$ 192,870,864	$ 608,828,443	$ 1,111,959	$ -	$ 983,638

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

City of Pueblo, Colorado
Balance Sheet
Governmental Funds
December 31, 2017

	General Fund	Major Special Revenue Funds: Economic Development 1/2 Cent Tax	Major Special Revenue Funds: HUD Grants	Public Improvements Funds	Total Nonmajor Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 12,238,022	$ -	$ -	$ 31,022	$ -	$ 12,269,044
Restricted cash and cash equivalents	-	100,000	-	600,845	454,615	1,155,460
Investments	20,427,824	54,898,900	-	-	7,533,722	82,860,446
Taxes receivable, net	20,451,069	873,269	-	-	44,647	21,368,985
Due from other funds	7,137,065	210,022	1,360,217	3,098,612	1,244,686	13,050,602
Receivable from other governments	-	-	231,480	653,040	910,628	1,795,148
Notes and loans receivable, net	650,000	28,395,207	3,669,048	-	-	32,714,255
Advance to other funds	1,402,494	-	-	747,000	-	2,149,494
Other receivables	3,072,469	181,383	299,848	-	517,438	4,071,138
Inventories	27,000	-	553,868	-	305,446	886,314
Prepaid items	393,696	-	-	-	-	393,696
Total assets	$ 65,799,639	$ 84,658,781	$ 6,114,461	$ 5,130,519	$ 11,011,182	$ 172,714,582
Liabilities						
Accounts payable and accrued expenses	$ 3,496,747	$ 2,002,231	$ 214,644	$ 1,068,112	$ 630,337	$ 7,412,071
Due to other funds	12,393,725	-	-	106,489	502,424	13,002,638
Total liabilities	15,890,472	2,002,231	214,644	1,174,601	1,132,761	20,414,709
Deferred inflows of resources	18,278,167	-	510,543	528,621	849,326	20,166,657
Fund balances						
Nonspendable	1,823,188	-	553,868	747,000	-	3,124,056
Restricted	2,700,000	82,656,550	4,835,406	1,342,403	8,870,172	100,404,531
Committed	8,540,589	-	-	104,831	-	8,645,420
Assigned	10,851,933	-	-	1,233,063	162,931	12,247,927
Unassigned	7,715,290	-	-	-	(4,008)	7,711,282
Total fund balances	31,631,000	82,656,550	5,389,274	3,427,297	9,029,095	132,133,216
Total liabilities, deferred inflows of resources, and fund balances	$ 65,799,639	$ 84,658,781	$ 6,114,461	$ 5,130,519	$ 11,011,182	$ 172,714,582

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

City of Pueblo, Colorado
Reconciliation of the Governmental Funds
Balance Sheet with the Government-wide Statement of Net Position

December 31, 2017

Amounts reported for governmental activities in the statement of net position are different because:		
Fund balances of governmental funds		$ 132,133,216
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental fund financial statements.		
Capital assets	$ 458,907,833	
Less: accumulated depreciation	(114,722,908)	344,184,925
Pension assets, liabilities and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements		
Pension liability	$ (62,157,003)	
Deferred outflows of resources relating to pensions	24,013,744	
Deferred inflows of resources relating to pensions	(799,064)	(38,942,323)
Internal service funds are collapsed into governmental activities		6,383,213
Long-term liabilities are not due and payable from current financial resources, and therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities consist of:		
Certificates of participation	$ (17,119,784)	
Unamortized loss on refunding	1,164,125	
Capital leases payable	(2,810,610)	
Compensated absences payable	(5,830,681)	
Net post-employment benefit obligation	(7,803,907)	
Accrued interest payable	(197,362)	(32,598,219)
Certain revenue was earned and accrued in the statement of net position, but has been deferred in the governmental funds balance sheet.		
Notes receivable issued upon sale of assets	$ 650,000	
Other deferred inflows of resources (unavailable revenue)	4,146,767	4,796,767
Total net position of governmental activities		$ 415,957,579

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

City of Pueblo, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

		Major Special Revenue Funds				
	General Fund	Economic Development 1/2 Cent Tax	HUD Grants	Public Improvements Funds	Total Nonmajor Funds	Total Governmental Funds
Revenues						
Property taxes	$ 13,111,640	$ -	$ -	$ -	$ 41,669	$ 13,153,309
Sales and miscellaneous taxes	58,183,115	8,378,822	-	-	2,493,627	69,055,564
Payment in lieu of taxes	9,859	-	-	-	-	9,859
Fees and fines	1,986,461	-	-	-	-	1,986,461
Licenses and permits	832,065	-	-	-	-	832,065
Intergovernmental	2,699,499	-	2,062,522	4,604,779	5,715,305	15,082,105
Charges for services	4,320,404	801,981	-	-	1,245,002	6,367,387
Investment earnings	192,053	436,229	-	375	53,691	682,348
Miscellaneous	2,552,294	202,500	233,144	29,765	125,320	3,143,023
Total revenues	83,887,390	9,819,532	2,295,666	4,634,919	9,674,614	110,312,121
Expenditures						
Current						
General government	10,514,770	-	-	4,802,812	-	15,317,582
Public safety	44,075,041	-	-	275,258	73,523	44,423,822
Public works	6,451,226	-	-	1,154,682	1,631,529	9,237,437
Parks and recreation	5,283,828	-	-	-	473,286	5,757,114
Economic development	-	2,344,041	-	-	-	2,344,041
Culture and community welfare	4,460,988	-	839,698	99,642	1,976,588	7,376,916
Other	735,897	-	-	-	-	735,897
Debt service						
Principal	-	-	-	-	3,970,960	3,970,960
Interest and other charges	-	-	-	-	401,897	401,897
Capital outlay	1,064,145	305,538	425,520	9,015,676	473,291	11,284,170
Total expenditures	72,585,895	2,649,579	1,265,218	15,348,070	9,001,074	100,849,836
Excess (deficiency) of revenues over expenditures	11,301,495	7,169,953	1,030,448	(10,713,151)	673,540	9,462,285
Other financing sources (uses)						
Insurance recovery	-	-	-	512,536	-	512,536
Proceeds from debt issue	-	-	-	-	-	-
Transfers in	4,751,568	-	-	3,738,770	4,435,949	12,926,287
Transfers out	(12,819,998)	(373,097)	(253,400)	(10,000)	(4,836,364)	(18,292,859)
Total other financing sources (uses)	(8,068,430)	(373,097)	(253,400)	4,241,306	(400,415)	(4,854,036)
Net change in fund balance	3,233,065	6,796,856	777,048	(6,471,845)	273,125	4,608,249
Fund balances at beginning of year	28,397,935	75,859,694	4,612,226	9,899,142	8,755,970	127,524,967
Fund balances at end of year	$ 31,631,000	$ 82,656,550	$ 5,389,274	$ 3,427,297	$ 9,029,095	$ 132,133,216

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

City of Pueblo, Colorado
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Total change in fund balances - governmental funds.		$ 4,608,249
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital outlay	$ 10,412,294	
Donated capital assets	1,813,777	
Depreciation expense	(6,547,058)	
Transfer of capital assets to enterprise funds	(2,509,922)	
Net book value of capital asset disposals	(3,020,161)	148,930
An internal service fund is used by the City's management to charge the cost of risk management to individual departments, to charge the cost of fleet management activities to individual departments, and to charge the cost of the city-wide telephone system to indivudual departments. The assets, deferred outflows of resources, liabilities and deferred inflows of resources of the internal service fund is included with governmental activities in the statement of net position.		
Change in net position of governmental internal service fund	$ 1,159,784	
Net operating loss attributed to business-type-type activities	142,036	1,301,820
Recognition and measurement of the changes in the net pension asset and/or liability, together with pension-related deferred outflows of resources and deferred inflows of resources in the financial statements prepared using the economic resources measurement focus and the accrual basis of accounting are not current financial resources and, therefore, are not reported in governmental funds.		(3,847,219)
Principal repayments of long-term debt are reported as expenditures in governmental fund financial statements, while these are reported as decreases in long-term debt in the government-wide financial statements. Also, changes in other long-term liabilities and related accounts (i.e. accrued interest, deferred loss on refunding, accrued compensated absences and other post-employment benefits) are not reported in the governmental financial statements.		
Principal payments on certificates of participation and capital leases	$ 3,970,960	
Change in accrued interest	(117,019)	
Change in deferred loss on refunding	(194,021)	
Change in other post-employment benefits	(1,274,642)	
Decrease in compensated absences payable	371,497	2,756,775
Certain revenue was earned and accrued in the statement of net position, but has been deferred in the governmental funds balance sheet.		246,114
Change in net position of governmental activities		$ 5,214,669

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

City of Pueblo, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2017

	Business-type Activities						
	Golf Course Enterprise	Sewer User Fund	Stormwater Utility	Memorial Airport	Other Enterprise Funds	Total	Internal Service Fund
Assets							
Current assets							
Cash and cash equivalents	$ -	$ 675	$ 100	$ 400	$ 178,338	$ 179,513	$ 300
Restricted cash and cash equivalents	869,183	-	-	-	-	869,183	100,000
Investments	-	31,274,700	3,189,700	227,565	-	34,691,965	-
Accounts receivable, net	91,904	3,616,496	1,728,515	591,060	52,642	6,080,617	18,919
Due from other funds	-	150,085	-	238,431	1,019,527	1,408,043	4,719,285
Due from other governments	-	-	-	-	2,229,176	2,229,176	-
Other receivables	-	86,398	8,812	629	-	95,839	-
Prepaid expenses	-	-	3,068	-	12,160	15,228	452,556
Inventories	-	361,063	-	-	278,058	639,121	223,861
Total current assets	961,087	35,489,417	4,930,195	1,058,085	3,769,901	46,208,685	5,514,921
Noncurrent assets							
Capital assets							
Land	56,086	185,461	622,458	56,889	3,453,085	4,373,979	-
Land improvements Infrastructure	4,632,220	27,690	8,646,234	35,566,262	2,241,371	51,113,777	-
Infrastructure	-	54,301,599	47,943,971	719,671	-	102,965,241	-
Other improvements	4,172,816	-	-	22,016,104	210,017	26,398,937	-
Buildings	1,504,076	47,381,814	-	10,200,792	17,969,656	77,056,338	1,036,366
Machinery and equipment	2,295,343	5,360,629	2,523,531	2,757,777	7,259,799	20,197,079	1,963,011
Less accumulated depreciation	(6,781,280)	(25,165,323)	(14,890,269)	(34,613,729)	(11,484,113)	(92,934,714)	(1,971,537)
Artworks	44,370	-	-	3,912	8,823	57,105	
Intangibles	-	20,105	35,805	-	1,478	57,388	-
Construction in progress	-	1,822,416	366,254	4,898,437	30,172	7,117,279	-
Total capital assets	5,923,631	83,934,391	45,247,984	41,606,115	19,690,288	196,402,409	1,027,840
Total noncurrent assets	5,923,631	83,934,391	45,247,984	41,606,115	19,690,288	196,402,409	1,027,840
Total assets	6,884,718	119,423,808	50,178,179	42,664,200	23,460,189	242,611,094	6,542,761
Deferred outflows of resources							
Pension-related	37,366	1,598,240	525,945	151,758	131,081	2,444,390	1,165,938
Liabilities							
Current liabilities							
Accounts payable	32,346	618,887	79,715	91,102	379,584	1,201,634	170,821
Accrued expenses	-	-	-	-	79,388	79,388	-
Accrued interest payable	51,491	290,795	993	-	-	343,279	-
Due to other funds	1,516,928	-	81,072	-	4,577,292	6,175,292	-
Advances from others	33,910	-	-	-	185,746	219,656	-
Compensated absences	-	34,686	8,419	11,734	21,376	76,215	9,773
Capital lease obligation	320,495	-	44,467	-	-	364,962	89,081
Claims and judgments	-	-	-	-	-	-	636,307
Bonds, notes and loans payable	-	1,769,919	-	-	-	1,769,919	-
Total current liabilities	1,955,170	2,714,287	214,666	102,836	5,243,386	10,230,345	905,982
Noncurrent liabilities							
Compensated absences	-	312,170	75,775	105,603	192,381	685,929	87,955
Capital lease obligation	1,521,509	-	-	-	-	1,521,509	277,089
Claims and judgments	-	-	-	-	-	-	112,289
Bonds payable, net	-	23,449,055	-	-	-	23,449,055	-
Advance from other funds	1,402,494	-	-	-	747,000	2,149,494	-
Net pension liability	138,303	5,915,522	1,946,665	1,042,856	449,522	9,492,868	4,315,451
Total noncurrent liabilities	3,062,306	29,676,747	2,022,440	1,148,459	1,388,903	37,298,855	4,792,784
Total liabilities	5,017,476	32,391,034	2,237,106	1,251,295	6,632,289	47,529,200	5,698,766
Deferred inflows of resources							
Pension-related	3,223	137,853	45,363	28,453	(33,316)	181,576	100,564
Net position							
Net investment in capital assets	4,081,627	58,715,417	45,203,517	41,606,115	19,690,288	169,296,964	661,670
Unrestricted	(2,180,242)	29,777,744	3,218,138	(69,905)	(2,697,991)	28,047,744	1,247,699
Total net position	$ 1,901,385	$ 88,493,161	$ 48,421,655	$ 41,536,210	$ 16,992,297	$ 197,344,708	$ 1,909,369

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time	(4,473,844)
Net position of business-type activities	$ 192,870,864

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

City of Pueblo, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities						Governmental Activities
	Golf Course Enterprise	Sewer User Fund	Stormwater Utility	Memorial Airport	Other Enterprise Funds	Total	Internal Service Fund
Operating revenues							
Charges for services	$ 2,178,770	$ 20,161,555	$ 4,197,293	$ 566,965	$ 2,051,531	$ 29,156,114	$ 6,787,276
Miscellaneous	-	37,645	723	9,073	126,783	174,224	363,623
Total operating revenues	2,178,770	20,199,200	4,198,016	576,038	2,178,314	29,330,338	7,150,899
Operating expenses							
Personnel services	87,151	4,791,531	1,679,938	982,203	101,228	7,642,051	3,754,874
Contractual services	887,714	1,577,791	708,639	240,132	5,192,427	8,606,703	35,692
Utilities	420,769	758,004	55,880	371,496	545,362	2,151,511	56,425
Repairs and maintenance	152,386	4,129,085	70,986	83,091	439,015	4,874,563	27,015
Other supplies and expenses	207,715	986,189	1,450,369	222,005	857,495	3,723,773	1,373,679
Insurance claims expense	-	-	-	-	-	-	1,866,521
Depreciation	451,753	1,744,560	742,815	1,423,986	578,754	4,941,868	94,543
Total operating expenses	2,207,488	13,987,160	4,708,627	3,322,913	7,714,281	31,940,469	7,208,749
Operating income (loss)	(28,718)	6,212,040	(510,611)	(2,746,875)	(5,535,967)	(2,610,131)	(57,850)
Nonoperating revenues (expenses)							
Interest and investment revenue	-	240,816	21,813	1,842	-	264,471	(14,366)
Miscellaneous revenue	-	515,991	-	-	-	515,991	-
Operating grants and contributions	-	-	-	542,481	2,189,747	2,732,228	-
Interest expense	(126,612)	(642,075)	(1,171)	-	-	(769,858)	-
Gain on disposal of capital assets	-	6,083	81	72,053	-	78,217	-
Total nonoperating revenues (expenses)	(126,612)	120,815	20,723	616,376	2,189,747	2,821,049	(14,366)
Income (loss) before contributions	(155,330)	6,332,855	(489,888)	(2,130,499)	(3,346,220)	210,918	(72,216)
Capital contributions	-	-	2,510,024	4,328,136	-	6,838,160	-
Transfers in	-	-	140,550	1,358,466	2,788,367	4,287,383	1,232,000
Transfers out	-	(50,000)	(102,811)	-	-	(152,811)	-
Changes in net position	(155,330)	6,282,855	2,057,875	3,556,103	(557,853)	11,183,650	1,159,784
Net position at beginning of year	2,056,715	82,210,306	46,363,780	37,980,107	17,550,150		749,585
Net position at end of year	$ 1,901,385	$ 88,493,161	$ 48,421,655	$ 41,536,210	$ 16,992,297		$ 1,909,369
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise funds						(142,036)	
Change in net position						$ 11,041,614	

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

City of Pueblo, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities Enterprise Funds						Governmental Activities
	Golf Course Enterprise	Sewer User Fund	Stormwater Utility	Memorial Airport	Other Enterprise Funds	Total	Internal Service Fund
Cash flows from operating activities							
Cash received from customers	$ 2,168,706	$ 19,601,267	$ 5,125,215	$ 123,720	$ 2,311,012	$ 29,329,920	$ 4,427,340
Cash payments to suppliers	(1,273,018)	(7,419,250)	(4,253,535)	(880,501)	(6,954,211)	(20,780,515)	(4,283,046)
Cash payments to employees	(77,078)	(4,251,640)	(1,417,197)	(924,338)	(84,546)	(6,754,799)	(781,450)
Receipts for interfund services	66,785	(16,444)	17,960	-	(129,858)	(61,557)	-
Payments for interfund services	-	-	-	259,284	19,457	278,741	(471,790)
Net cash flows from operating activities	885,395	7,913,933	(527,557)	(1,421,835)	(4,838,146)	2,011,790	(1,108,946)
Cash flows from non-capital financing activities							
Transfers in	-	-	140,550	1,358,466	2,788,367	4,287,383	1,232,000
Transfers out	-	(50,000)	(102,811)	-	-	(152,811)	-
Payments made on fund advance	-	-	(9,738)	-	-	(9,738)	-
Receipts from fund advance	-	-	-	-	27,889	27,889	-
Miscellaneous revenue	-	515,991	-	-	-	515,991	-
Operating grants and contributions	-	-	-	542,481	2,189,747	2,732,228	-
Net cash flows from non-capital financing activity	-	465,991	28,001	1,900,947	5,006,003	7,400,942	1,232,000
Cash flows from capital and related financing activities							
Proceeds from the sale of capital assets	-	6,083	81	72,053	-	78,217	-
Acquisitions of capital assets	(425,869)	(1,792,409)	(545,690)	(620,668)	(71,120)	(3,455,756)	-
Capital contributions received	-	-	102	61,781	-	61,883	-
Proceeds from issuance of debt	869,183		-	-	-	869,183	-
Principal paid on long-term debt	(331,575)	(1,740,826)	(43,410)	-	(35,370)	(2,151,181)	(87,489)
Interest paid on long-term debt	(127,951)	(718,050)	(2,140)	-	(595)	(848,736)	(14,366)
Net change in restricted cash	-	492,162	-	-	-	492,162	
Net cash flows from capital and related financing activitie	(16,212)	(3,753,040)	(591,057)	(486,834)	(107,085)	(4,954,228)	(101,855)
Cash flows from investing activities							
Interest earnings received	-	240,816	21,813	1,842	-	264,471	-
Maturity of investments	-	-	1,068,800	-	-	1,068,800	-
Acquisition of investments	-	(4,867,700)		5,880	-	(4,861,820)	-
Net cash flows from investing activities	-	(4,626,884)	1,090,613	7,722	-	(3,528,549)	-
Net increase (decrease) in cash and cash equivalents	869,183	-	-	-	60,772	929,955	21,199
Cash and cash equivalents at beginning of year	-	675	100	400	117,566	118,741	79,101
Cash and cash equivalents at end of year	$ 869,183	$ 675	$ 100	$ 400	$ 178,338	$ 1,048,696	$ 100,300
Reported in the accompanying statement of net position as follows:							
Cash and cash equivalents	$ -	$ 675	$ 100	$ 400	$ 178,338	$ 179,513	$ 300
Restricted cash and cash equivalents	869,183	-	-	-	-	869,183	100,000
	$ 869,183	$ 675	$ 100	$ 400	$ 178,338	$ 1,048,696	$ 100,300
Reconciliation of operating income (loss) to net cash flows from operating activities							
Operating income (loss)	$ (28,718)	$ 6,212,040	$ (510,611)	$ (2,746,875)	$ (5,535,967)	$ (2,610,131)	$ (57,850)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:							
Depreciation	451,753	1,744,560	742,815	1,423,986	578,754	$ 4,941,868	94,543
(Increase) decrease in operating assets :							
Accounts receivable	(10,064)	(597,933)	927,199	45,397	132,698	497,297	4,819
Due from other funds	-	(16,444)	17,960	(497,715)	38,050	(458,149)	(471,790)
Prepaid items	-	-	71	-	51,104	51,175	10,238
Inventories	-	(40,720)	-	-	(54,939)	(95,659)	(8,794)
Increase (decrease) in operating liabilities:							
Accounts payable and accrued expenses	(25,361)	58,529	(1,953,861)	13,988	(90,206)	(1,996,911)	(929,841)
Due to other funds	420,927	-	-	259,284	(148,451)	531,760	-
Advances from others	66,785	-	-	-	-	66,785	-
Net pension liabilitiy and related deferred inflows and outflows of resources	10,073	553,901	248,870	80,100	190,811	1,083,755	249,729
Net cash flows from operating activities	$ 885,395	$ 7,913,933	$ (527,557)	$ (1,421,835)	$ (4,838,146)	$ 2,011,790	$ (1,108,946)
Schedule of noncash investing, capital and financing activities							
Capital assets contributed from governmental activities			$ 2,509,922	$ 4,266,355			

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

City of Pueblo, Colorado
Agency Fund
Fiduciary Statement of Net Position
For the Year Ended December 31, 2017

		Agency Fund
Assets		
Cash and cash equivalents	$	293,936
Accounts receivable		2,076,728
Total assets	$	2,370,664
Liabilities		
Accounts payable	$	3,247
Deposits		2,367,417
Total liabilities	$	2,370,664

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

Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Pueblo, Colorado (the City) is incorporated as a home rule city under the Constitution of the State of Colorado. The City operates under a council-manager form of government and provides the following services as authorized by its charter: public safety (police and fire), public works (highways, streets, sanitation and transportation), culture-recreation, public improvements, planning and zoning and general administrative services.

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

A. REPORTING ENTITY

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

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

Pueblo Transit – Pueblo Transit is a legally separate not-for-profit corporation that was formed January 1, 1998 as an agency and instrumentality of the City of Pueblo. Pueblo Transit provides labor services on a cost-reimbursement basis to the transportation services fund (a nonmajor enterprise fund of the City), which accounts for all the activities, including capital assets and grants and contributions related to public bus services. City Council appoints the governing body and management of Pueblo Transit. The rates for user charges are determined by City Council, and Pueblo Transit is reported as an internal service fund. Pueblo Transit is included as a blended component unit because it provides labor services exclusively to the City.

Pueblo Municipal Building Corporation (PMBC) – PMBC is a financing vehicle created by City Council to periodically acquire and construct various properties and facilities. PMBC is a nonprofit public benefit corporation which generally issues certificates of participation that provide the funding for construction of the project and in turn, PMBC leases the project/facility to the City which provides the funds to service the certificates of participation debt obligation. PMBC is included as a blended component unit because City Council serves as the governing body of PMBC and management of the City has operational responsibility for PMBC. PMBC is reported in the debt service fund.

In 2014, PMBC issued certificates of participation to install approximately 8,725 light-emitting diode (LED) streetlight fixtures throughout the City. The installation of the replacement streetlights did not begin until 2015 and, as part of the adopting ordinances, City Council approved entering into a site lease with PMBC, together with a lease purchase agreement between the City and PMBC. The lease payments made by the City to PMBC will be used to retire the certificates of participation. Upon retirement of the certificates of participation, title will pass to the City.

Previously, PMBC issued certificates of participation to construct a new police complex facility which was completed in 2010. Upon completion, PMBC provided all its services (leasing the police complex facility) to the City under an annually-renewable lease-purchase agreement. The lease payments made by the City to PMBC are used to retire the certificates of participation. In 2016, the original certificates of participation were refunded. Upon retirement of the certificates of participation, title will pass to the City.

Southpointe Special Improvement Maintenance District – Southpointe Special Improvement Maintenance District (Southpointe District) was created by City Council and authorized by taxpayers of the Southpointe District to maintain the area within the Southpointe District's boundaries. The Southpointe District is considered a blended component unit because City Council members are the governing body of the Southpointe District and management of the City has operational responsibility for the Southpointe District. Property taxes are established by the Southpointe District's taxpayers and the Southpointe District is reported as a nonmajor special revenue fund.

Bandera Blvd. Special Improvement Maintenance District – Bandera Blvd. Special Improvement Maintenance District (Bandera Blvd. District) was created by City Council and authorized by taxpayers of the Bandera Blvd. District to maintain the area within the Bandera Blvd. District's boundaries. The Bandera Blvd. District is considered a blended component unit because City Council members are the governing body of the Bandera Blvd. District and management of the City has operational responsibilities for Bandera Blvd. District. Property taxes are established by the Bandera Blvd. District's taxpayers and the Bandera Blvd. District is reported as a nonmajor special revenue fund.

North Gateway Number 1 Business Improvement District – North Gateway Number 1 Business Improvement District (North Gateway BID No. 1) was organized by City Council under Colorado Revised Statute, section 31-25-1201, et. seq. to provide a mechanism which allows the City to construct certain infrastructure based on new revenue generated by proposed commercial development within the North Gateway BID No. 1 boundaries. The North Gateway BID No. 1 District is considered a blended component unit because City Council members are the governing body of the District and management of

the City has operational responsibilities for North Gateway BID No. 1. The North Gateway BID No. 1 is reported as a nonmajor special revenue fund.

North Gateway Number 1 Public Improvement Corporation – North Gateway Number 1 Public Improvement Corporation (North Gateway PIC No. 1) was organized by City Council as a 63-20 nonprofit corporation to fund extraordinary public improvements within the boundaries of the North Gateway Number 1 public improvement district. The property owners within the boundaries of the North Gateway PIC No. 1 district impose a public improvement fee on sales that occur within these boundaries. The public improvement corporation is a blended component unit because City Council members are the governing body of the corporation and management of the City has operational responsibilities for North Gateway PIC No. 1. The North Gateway PIC No. 1 is reported as a nonmajor special revenue fund.

Separately-issued financial statements of each blended component unit are not available.

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

Pueblo Urban Renewal Authority – The Pueblo Urban Renewal Authority (the Authority) was created in 1959 under provisions of Colorado law. The Authority was virtually inactive until 1986, at which time the City and the Authority entered into a cooperation agreement whereby the Authority acquired certain properties from the City in order to facilitate the building of a convention center and parking structure on a portion of the property and sell the remaining portion to a developer for the purpose of building a hotel. Since that time, the Authority, with the approval of the City, has established numerous tax increment financing (TIF) districts. The Authority is included as a discretely-presented component unit because the City Council appoints a voting majority of the Authority's governing body and is able to modify the decisions of the Authority's governing body and there exist specific financial benefits and specific financial burdens on the City. Separately-issued financial statements of the Authority can be obtained from the Authority at 115 E. Riverwalk, Pueblo, Colorado, 81003.

Pueblo Main Street Garage Corporation – Pueblo Main Street Garage Corporation (the Corporation) was formed in 2006 as a not-for-profit corporation under Colorado law to construct a parking facility. The governing body of the Corporation consists of three members of which one is appointed by the City, one is appointed by the Pueblo Urban Renewal Authority, and one is jointly appointed by the City and the Authority. The Corporation is reported as a discretely-presented component unit because it is fiscally dependent on the City since the City can set rates or charges and rent space in the facility to third parties without the consent of the Corporation. Separately issued financial statements of the Corporation are not available.

The City, the Pueblo Main Street Garage Corporation and the Pueblo Urban Renewal Authority previously entered into a financing agreement for the Pueblo Main Street Garage involving a New Markets Tax structure partially funded from the proceeds of the Authority's issuance of revenue bonds. The City is the owner of the land on which the garage is built. As part of the original financing, the City conveyed a leasehold in the land to the Corporation and received a subordinate leasehold interest in the land and the

garage in a lease-leaseback arrangement with the Corporation. The Note representing the Corporation's obligation to repay the Authority's bond-financed loan into the New Markets Tax Credit structure became due and payable in 2017. In order to satisfy such debt, in 2017, the Corporation conveyed its leasehold interest in the land and improvements comprising the Garage to the Authority. In 2017, a Deed in Satisfaction of Debt was executed and recorded to accomplish such conveyance. The City, as a party to the Agreement, acknowledged the assignment of the Corporation's rights under the leases to the Authority on June 26, 2017 by Resolution No. 13704.

Pueblo Municipal Rail Corporation – Pueblo Municipal Rail Corporation (the Rail Corporation) was formed by City Council in 2012 as a not-for-profit corporation under Colorado law to construct railroad lead track and switches as part of an economic development agreement. The governing body of the Rail Corporation consists of three City employees. The Rail Corporation is included as a discretely-presented component unit because City employees serve as the governing body and the City is able to impose its will on the Rail Corporation and there is a potential for the Rail Corporation to provide specific financial benefits or specific financial burdens on the City. Separately-issued financial statements of the Rail Corporation are not available.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide (based on the City 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 of the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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. Likewise, the City is reported separately from its legally separate component units for which the City is financially accountable.

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, sales and use taxes, franchise and other taxes, or other unrestricted revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns. The nonmajor funds are combined in a column in the fund financial statements and are detailed in the combining section of the report.

The internal service fund, which traditionally provides services primarily to other funds of the government, is presented in summary form as part of the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, the majority of the assets, liabilities, deferred inflows and outflows of resources and net position of the internal service fund are consolidated into the governmental activities column in the government-wide financial statements. To the extent possible, the cost of these services is reflected in the appropriate functional activity. As previously noted, Pueblo Transit is also reported as an internal service fund that provides labor services exclusively to the City's transportation services enterprise fund.

The City's fiduciary fund is presented in the fund financial statements by type. Since, by definition, these assets are being held for the benefit of a third party and cannot be used to assist the activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The government-wide focus is more on the sustainability of the City 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, as well as the fiduciary fund. 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 proprietary fund financial statements. The fiduciary fund, which consists only of an agency fund, has no measurement focus and uses the accrual basis of accounting. 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 available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if collected within 60 days of the end of the fiscal year except the availability period is considered 90 days for the City's government-mandated non-exchange transactions that are generally classified as expenditure-driven grants. 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 issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales and use taxes, franchise taxes, grant and entitlement revenues, interest and charges for services are considered revenues susceptible to accrual. Licenses and permits, fines and fees, contributions and miscellaneous revenue are recorded as revenues when received because they are not generally measurable until received. 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.

Business-type activities and all proprietary funds are accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in 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 City's golf courses and the sewer and storm water utilities and airport are charges to customers for sales and services. Operating expenses for the enterprise funds and the internal service fund 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 City reports the following major governmental funds:

- The General Fund is the primary operating fund of the City and is always classified as a major fund. The General Fund is used to account for all financial resources of the City except those required to be accounted for in a separate fund. Major revenue sources include sales and use taxes, property taxes, franchise and other taxes, and intergovernmental revenue. Primary expenditures include general government, public safety (fire and police), public works, parks and recreation, and culture and community welfare.

- The Economic Development ½-Cent Tax Fund is a special revenue fund used to promote economic development within and around the City. Funds are provided by a ½-cent sales tax and expenditures generally consist of loans made to private businesses.

- The HUD Grants Fund is a special revenue fund used to implement the federally-funded community development block grant and HOME grant. Funds are used for current programs benefiting low- and moderate-income individuals and families.

- The Public Improvements Fund combines the Public Improvements Fund, which is a fund used to implement various federal and state grants awarded to the City, and the Capital Improvements Fund, which is a capital projects fund used primarily for the City's capital improvement program. Funds are

used for numerous current activities including general government, public safety, public works, parks and recreation, transportation and transportation planning, and capital outlay.

- Other governmental funds are a summarization of all other nonmajor governmental funds.

PROPRIETARY FUNDS

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

- The Golf Course Enterprise Fund combines the operations of the city-owned Elmwood Golf Course and Walking Stick Golf Course funds. Activities of the funds include operation and maintenance of the golf courses, along with the accumulation of resources for the payment of principal and interest on the capital leases outstanding. All costs are financed through charges to users with rates reviewed regularly and adjusted as necessary.

- The Sewer User Fund accounts for the operations of the City's sewer utility. Activities of the fund include administration, operation and maintenance of the sewer system, along with 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 Stormwater Utility Fund accounts for the operations of the City's storm water utility. Activities of the fund include administration, operation, and maintenance of the storm water system, along with accumulation of resources for the payment of principal and interest on capital leases, notes payable and fund advances. All costs are financed through charges to customers.

- The Memorial Airport Fund accounts for the operations of the airport that is located approximately eight miles east of the City. Activities include administration, operation and maintenance of the airport. Costs are financed through charges to customers, transfers from other funds and capital grants.

- Other Enterprise Funds is a summarization of all other nonmajor enterprise funds.

- The Internal Service Fund is used to account for the financing of goods or services provided by one department or agency of the City to other departments or agencies of the City, generally on a cost reimbursement basis. The internal service funds of the City provide risk management, fleet maintenance and communication services to these other City departments and agencies. The Pueblo Transit internal service fund provides labor services to the City's transportation services enterprise fund.

- The Agency Fund is used to account for assets held by the City in an agency capacity generally for subdivision infrastructure.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Another exception to this rule is the administrative charge imposed on the enterprise funds by the general fund. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

D. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include cash on hand, along with interest and non-interest-bearing bank deposits. Restricted cash and cash equivalents represents bank deposits held in compliance with economic development agreements, funds held by the trustee of the 2014 issue of certificates of participation of PMBC as previously described, and funds held by the lender (Colorado Water Resources and Power Development Authority) in conjunction with a project in the City's sewer utility fund.

In accordance with generally accepted accounting principles, the City records certain investments at fair value with any unrealized gain or loss being included as part of investment earnings.

E. CASH EQUIVALENTS

For purposes of the statement of cash flows, the City considers cash and cash equivalents to be cash on hand, demand deposits and, if any held, all highly liquid investments with original maturities of three months or less when acquired.

F. PROPERTY TAXES

Property taxes were levied on November 30, 2016 based on the assessed value of property as certified by the County Assessor by the previous November 30. Assessed values are a percentage of actual values. Reevaluation of all property must be made every two years and the last reevaluation date was January 1, 2016 for the 2014 base year as specified by state law.

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

G. INTERFUND RECEIVABLES/PAYABLES

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.

H. INVENTORIES AND PREPAID ITEMS

Inventories are reported at cost and cost is determined using the first-in, first-out method. Inventories consist of consumable supplies held for consumption, along with land and property held for sale. Inventories are capitalized under the consumption method, whereby expenditures are capitalized as inventory until used or sold. Prepaid items represent payments made for expenditures to be charged to a future accounting period and are capitalized under the consumption method.

I. CAPITAL ASSETS

Capital assets, which include land, land improvements, buildings, infrastructure, other improvements, machinery and equipment, intangible assets and construction-in-progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The capitalization levels were established at $2,500 for machinery and equipment; $25,000 for land improvements, buildings, building improvements and computer software. No capitalization threshold was established for land, intangible assets, artworks, and historical treasures. Infrastructure is capitalized only if the outlay meets the criteria established for capitalization. The criteria for capitalization include (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. donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value 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. No interest was capitalized during the year ended December 31, 2017.

Capital assets of the City, as well as the capital assets of the discretely-presented component units, are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activities	Business-Type Activities	Pueblo Urban Renewal Authority Component Unit	Pueblo Main Street Garage Corporation Component Unit	Pueblo Municipal Rail Corporation Component Unit
Land improvements	25-100	20-100	-	-	-
Infrastructure –					
Roads	100	-	-	-	-
Bridges	100	-	-	-	-
Signal lights	40	-	-	-	-
Sewer system	-	100	-	-	-
Storm water system	-	100	-	-	-
Airport and other rail spurs	-	100	-	-	100
Buildings	10-50	20-100	7-50	50	-
Machinery equipment	3-15	3-10	5-20	-	-
Other improvements	-	10-50	5-40	-	-

J. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees are allowed to accumulate vacation benefits up to predetermined maximums and are compensated for these accumulated vacation benefits either through paid time off or at termination or retirement. Employees are also allowed to accumulate sick pay benefits up to predetermined maximums; however, payment of these benefits is limited to lesser maximums depending on whether the employee resigns or retires.

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

K. 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.

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.

L. PENSION PLANS

The GASB issued Statement 68, Accounting and Financial Reporting for Pensions and GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, to improve accounting and financial reporting by state and local governments for pensions. These two statements are effective for years beginning after June 15, 2014. These statements were the result of a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity and creating additional transparency.

The City adopted the provisions of these statements as of and for the year ended December 31, 2015 for all the plans in which the City participates. The City and two of its component units (Pueblo Transit Authority and Pueblo Urban Renewal Authority) participate in the Public Employees' Retirement Association Plan (PERA) which is a cost-sharing, multiple-employer defined benefit pension plan administered by PERA. The City also participates in the new hire fire and police pension plan which is a statewide, cost sharing, multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). In addition, the City also participates in the Old Hire Fire Plan and the Old Hire Police Plan that are agent, multiple-employer defined benefit pension plans administered by FPPA.

Public Employee Retirement Association (PERA)

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the PERA plan have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis as they are reported by PERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

New Hire Fire and Police Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the New Hire Fire and Police Plan have been determined on the same basis as they are reported by FPPA. 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.

Old Hire Police Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Old Hire Police Plan have been determined on the same basis as they are reported by FPPA. 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.

Old Hire Fire Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Old Hire Fire Plan have been determined on the same basis as they are reported by FPPA. 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.

M. FUND EQUITY

Governmental funds report fund balances in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for the City'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.

- 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 an ordinance of City Council. Commitments may be modified or changed only by City Council approving a new ordinance.

- Assigned – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the City Manager and Director of Finance as outlined by City Council's passage of an ordinance to which the assigned amounts are to be used for specific purposes.

- Unassigned – includes amounts that do not meet any of the above criteria. The City may report positive unassigned fund balance 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 City's policy to use restricted resources first and then use unrestricted resources as they are needed.

N. 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 transfers.

O. 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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY PRINCIPLES

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

On or before the first City Council meeting in October, the city manager submits to City Council 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 City Council to obtain taxpayer comments. The City generally adopts budgets for all funds except the agency fund. All funds, including proprietary funds, use the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budgets. In addition, appropriations lapse at the end of the year and expenditures for on-going projects are appropriated in the following year.

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation ordinance. The city manager may at any time transfer any unencumbered appropriation balance or portion thereof from one classification of expenditures to another within the same department, office or agency. The Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department, office or agency to another. City Council may amend the original adopted budget during the year by passing a new ordinance to reflect current needs. During 2017, the expenditure estimates were amended. These amendments were made in accordance with the City Charter.

III. DETAILED NOTES FOR ALL FUNDS

A. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments are summarized as follows:

Cash on hand	$ 31,883
Demand deposits	14,234,707
Restricted deposits (held by lender)	600,846
	$ 14,867,436
Investments –	
U.S. agency securities	$ 90,852,599
U.S. treasury securities	9,679,358
Money market funds	13,019,039
Local government investment pools (ColoTrust and CSAFE)	4,001,415
	$ 117,552,411

	Cash and Cash Equivalents	Investments
Reported in the financial statements as follows:		
Government-wide statement of net position	14,573,500	117,552,411
Statement of fiduciary net position	293,936	-
	$ 14,867,436	$ 117,552,411

DEPOSITS

At December 31, 2017, the carrying amount of the City's deposits was $14,234,707 and the bank balance was $16,785,032. Of the bank balance, $671,581 was covered by federal depository insurance and $16,113,451 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 fair value of the collateral that each institution pledges as security must equal at least 102% of the total uninsured deposits held by that institution. Generally, the eligible collateral in the collateral pools is held by the depository institution or its agent in the name of the depository institution.

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for custodial credit risk parallels Colorado statutes as described above. As of December 31, 2017, deposits with a bank balance of $16,113,451 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 City's name.

INVESTMENTS

The City has adopted, by resolution, the provisions of Colorado Revised Statutes 24-75-601 which are entitled "Concerning Investment in Securities by Public Entities". This law, among other things, outlines the types of securities that public entities in Colorado may acquire and hold as investments. These include U.S. government and agency securities, certain bonds of political subdivisions, bankers acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds, guaranteed insurance 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.

The City categorizes its fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At December 31, 2017, the City had the following investments and maturities:

						Investment Maturities (in years)	
Investment Type	Level 1	Level 2	Level 3	Total	Concentration	Less Than One Year	1 - 5 Years
U.S. agencies	$ -	$ 90,852,599	$ -	$ 90,852,599	77.3%	$ 35,592,311	$ 55,260,288
U.S. treasuries	-	9,679,358	-	9,679,358	8.2%	2,988,370	6,690,988
Money market funds	13,019,039	-	-	13,019,039	11.1%	12,201,629	817,410
	$ 13,019,039	$100,531,957	$ -	$ 113,550,996		$ 50,782,310	$ 62,768,686
Investments measured at net asset value (NAV):							
ColoTrust				2,000,777	1.7%		
Investments measured at amortized cost							
CSAFE				2,000,638	1.7%		
				$ 117,552,411			

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

Interest rate risk – The City's policy of limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates parallels Colorado statutes. Specifically, all securities are limited to a maximum maturity of five years from the date of purchase unless City Council authorizes a longer period.

Credit risk – The City's investment policy relative to investment choices provides that the City may invest in U.S. treasury and agency securities, commercial paper, bankers' acceptances, local government investment pools, money market funds, repurchase agreements and corporate notes and bonds. As of December 31, 2017, the City's investment in money market funds generally were rated AAAm by Standard and Poor's. The City's investment in U.S. agency securities includes bonds issued by Federal Farm Credit Banks, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Federal Agriculture Mortgage Corporations. At December 31, 2017, the City's investment in these U.S. agency securities were generally rated AAA by Moody's and AA+ by Standard and Poor's.

Investments noted above include $4,001,415 of funds held in the ColoTrust investment pool and the C-Safe investment pool. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME iInvestnvests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAm by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. CSAFE, an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. CSAFE is a highly liquid fund operating similarly to a money market-like fund and each share is equal in value to $1.00. CSAFE measures all of its investment at amortized cost in accordance with GASB Statement No. 79, Certain External Investment Pools and Pool Participants. CSAFE invests primarily in United States Treasuries, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, AAAm rated money market funds, highly rated corporate bonds and Colorado Depositories. The weighted average maturity of the portfolio shall not exceed 60 days and the weighted average life of the portfolio shall not exceed 120 days. CSAFE is rated AAAm by Standard & Poor's and is measured at amortized cost.

DISCRETELY PRESENTED COMPONENT UNITS

Cash and cash equivalents and investments for the discretely presented component units are summarized as follows:

	Pueblo Urban Renewal Authority
Cash on hand	$ 3,750
Demand deposits	3,550,601
Total cash and cash equivalents	$ 3,554,351
Money market funds held at bank trust departments	$ 20,723,923
Reported in the financial statements as follows:	
Cash and cash equivalents	$ 1,525,520
Restricted cash and cash equivalents	1,279,560
Restricted cash and cash equivalents under debt obligation	749,271
	$ 3,554,351
Restricted investments	$ 20,723,923

DEPOSITS

At December 31, 2017, the carrying amount of the Pueblo Urban Renewal Authority's (the Authority) deposits was $3,554,351 and the bank balance was $3,421,195. Of the bank balance, $750,000 was covered by federal depository insurance and $2,199,513 was collateralized in single financial institution collateral pools maintained by the individual financial institutions that hold the deposits. Colorado law requires that depository institutions must apply for and be designated as an eligible public depository before the institution can accept public monies. The depository institution must pledge eligible collateral as security for all public deposits held by that institution that are not insured by depository insurance. The fair value of the collateral that each institution pledges as security must equal at least 102% of the total uninsured deposits held by that institution. Generally, the eligible collateral in the collateral pools is held by the depository institution or its agent in the name of the depository institution.

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk. As of December 31, 2017, deposits with a bank balance of $471,682 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 name of the discretely-presented component unit.

INVESTMENTS

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

As of December 31, 2017, the Authority had the following investments and maturities:

	Fair value	Investment Maturity (in years) less than 1
Money market funds held at bank trust departments	$ 20,723,923	$ 20,723,923

Interest rate risk – The Authority 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 limits investments in money market funds to funds that are registered as an investment company; the fund investment policies must seek to maintain a constant price and no sales or bond fee can be added to the purchase or redemption price. The Authority has no investment policy that would further limit its investment choices. The Authority's investment in money market funds is rated AAAm by Standard and Poor's.

Fair Value Measurement and Application – The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. All of the District's investments are measured at fair value using Level 1 inputs.

B. RECEIVABLES

Receivables at December 31, 2017 consist of the following:

	Governmental Activities			
	General Fund	Economic Development 1/2 Cent Tax Fund	HUD Grants Fund	Public Improvements Fund
Taxes –				
Property	$ 14,360,562	$ -	$ -	$ -
Sales and use	5,284,296	873,269	-	-
Franchise	806,211	-	-	-
Notes and loans	650,000	37,887,543	4,719,048	-
Accounts	2,642,792	29,723	-	-
Interest	56,433	151,660	-	-
Other	393,096	-	299,848	-
	24,193,390	38,942,195	5,018,896	-
Less: allowance for uncollectible accounts	(19,852)	(9,492,336)	-	-
	$ 24,173,538	$ 29,449,859	$ 5,018,896	$ -
Amounts not scheduled for collection during the subsequent year	$ 650,000	$ 28,885,337	$ 2,433,671	$ -

	Governmental Activities		
	Total Nonmajor Funds	Internal Service Fund	Total
Taxes –			
Property	$ 44,647	$ -	$ 14,405,209
Sales and use	-	-	6,157,565
Franchise	-	-	806,211
Notes and loans	-	-	43,256,591
Accounts	-	19,113	2,691,628
Interest	-	-	208,093
Other	517,438	-	1,210,382
	562,085	19,113	68,735,679
Less: allowance for uncollectible accounts	-	(194)	(9,512,382)
Amounts not scheduled for collection during the subsequent year	$ 562,085	$ 18,919	$ 59,223,297

Included in accounts receivable is $1,538,669 of receivables that are due from the Authority under agreements between the City and the Authority.

	Business-Type Activities					
	Golf Enterprise	Sewer User	Stormwater Utility	Memorial Airport	Other Enterprise Funds	Total
Accounts	$ 91,904	$ 3,616,496	$ 1,728,515	$ 721,488	$ 52,642	$ 6,211,045
Interest	-	86,398	8,812	629	-	95,839
	91,904	3,702,894	1,737,327	722,117	52,642	6,306,884
Less: allowance for uncollectible accounts	-	-	-	(130,428)	-	(130,428)
	$ 91,904	$ 3,702,894	$ 1,737,327	$ 591,689	$ 52,642	$ 6,176,456

DISCRETELY PRESENTED COMPONENT UNITS

Receivables at December 31, 2017 are summarized as follows:

	Governmental Activities	Business-type Activities	Total Pueblo Urban Renewal Authority
Accounts	$ 1,332,575	$ 90,035	$ 1,422,610
Notes	37,781	-	37,781
Vendors Fee	157,167	-	157,167
Property taxes	4,346,966		4,346,966
Interest	2,576	-	2,576
	$ 5,877,065	$ 90,035	$ 5,967,100

A note receivable obligation from Main Street Parking Garage totaling $6,862,000, and included in the expended downtown district fund in the prior year, was fulfilled in 2017 through the conveyance of land and improvements to the Authority. The land and improvements are reflected on the Authority's Statement of Net Position in the historical cost of $11,339,196, resulting in a gain from the exchange of $4,477,196.

C. INTERFUND RECEIVABLES/PAYABLES/TRANSFERS

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

	Interfund Receivable	Interfund Payable
Governmental Funds -		
General fund	$ 7,137,065	$ 12,393,725
Economic development 1/2 cent tax	210,022	-
HUD grants	1,360,217	-
Public improvements funds	3,098,612	106,489
Nonmajor governmental	1,244,686	502,424
Total governmental funds	13,050,602	13,002,638
Enterprise Funds -		
Golf enterprise	-	1,516,928
Sewer user	150,085	-
Storm water utility	-	81,072
Memorial airport	238,431	-
Nonmajor enterprise funds	1,019,527	4,577,292
Total enterprise funds	1,408,043	6,175,292
Internal service fund	4,719,285	-
	$ 19,177,930	$ 19,177,930

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

The following table summarizes advances to/from other funds at December 31, 2017:

	Advances to Other Funds	Advances from Other Funds
Major governmental funds -		
Advance due general fund from Walking Stick golf course major enterprise fund	$ 1,402,494	$ -
Advance due public improvement fund from honor farm nonmajor enterprise fund	747,000	-
Major enterpirse funds -		
Advance due to general fund from Walking Stick golf course	-	1,402,494
Nonmajor enterprise fund -		
Advance due to public improvement fund from honor farm fund	-	747,000
	$ 2,149,494	$ 2,149,494

The advance from the capital improvement fund to the honor farm fund was provided for capital improvements. It is expected that these advances will be paid in more than one year.

The advance from the general fund to Walking Stick golf course reflects an advance for debt service and capital improvements. It is presently anticipated that the repayment of this advance will begin in the near future since the certificates of participation were paid off in 2008.

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

	Transfers in	Transfers out
Governmental Funds -		
General fund	$ 4,751,568	$ 12,819,998
Economic development 1/2 cent tax	-	373,097
HUD grants	-	253,400
Public improvements funds	3,738,770	10,000
Nonmajor governmental	4,435,949	4,836,364
Total governmental funds	12,926,287	18,292,859
Enterprise Funds -		
Sewer user	-	50,000
Stormwater utility	140,550	102,811
Memorial airport	1,358,466	-
Other enterprise funds	2,788,367	-
Total enterprise funds	4,287,383	152,811
Internal service fund	1,232,000	-
	$ 18,445,670	$ 18,445,670

The transfers to the enterprise funds represent, for the most part, operating subsidies. Other transfers reflect the allocation of general fund revenues to the fund legally required to spend the identified monies, along with grant-matching amounts.

D. DUE FROM OTHER GOVERNMENTAL AGENCIES

The amounts reflected as due from other governmental agencies on the government-wide statement of net position consist of state and federal grants receivable for both the governmental activities and the business-type activities.

E. CAPITAL ASSETS

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

	Balance January 1, 2017	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2017
Governmental activities -				
Nondepreciable assets -				
Land	$ 17,441,258	$ 254,303	$ (267,186)	$ 17,428,375
Land - infrastructure	75,284,648	911,976	-	76,196,624
Art works	893,237	80,000	-	973,237
Intangibles	1,154,951	7,407	-	1,162,358
Construction in progress	10,146,807	8,380,867	(8,670,827)	9,856,847
Total capital assets not being depreciated	104,920,901	9,634,553	(8,938,013)	105,617,441
Depreciable assets -				
Land improvements	51,364,404	370,564	(48,758)	51,686,210
Infrastructure	177,917,087	6,387,849	(11,273)	184,293,663
Buildings	79,663,504	1,052,354	(2,776,154)	77,939,704
Machinery and equipment	42,148,524	941,656	(719,988)	42,370,192
Total capital assets being depreciated	351,093,519	8,752,423	(3,556,173)	356,289,769
Less: accumulated depreciation for -				
Land improvements	(11,146,756)	(649,121)	16,090	(11,779,787)
Infrastructure	(53,186,506)	(1,931,684)	7,102	(55,111,088)
Buildings	(15,462,320)	(1,732,088)	60,019	(17,134,389)
Machinery and equipment	(31,060,461)	(2,328,708)	719,988	(32,669,181)
Total accumulated depreciation	(110,856,043)	(6,641,601)	803,199	(116,694,445)
Capital assets being depreciated, net	240,237,476	2,110,822	(2,752,974)	239,595,324
Total governmental activities capital assets, net	$345,158,377	$ 11,745,375	$ (11,690,987)	$ 345,212,765

	Balance January 1, 2017	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2017
Business-type activities -				
Nondepreciable assets -				
Land	$ 4,373,979	$ -	$ -	$ 4,373,979
Art works	-	-	57,105	57,105
Intangibles	49,253	12,047	(3,912)	57,388
Construction in progress	1,417,257	5,874,533	(174,511)	7,117,279
Total capital assets not being depreciated	5,840,489	5,886,580	(121,318)	11,605,751
Depreciable assets -				
Land improvements	51,113,777	-	-	51,113,777
Infrastructure	99,613,887	3,351,354	-	102,965,241
Buildings	77,056,338	-	-	77,056,338
Machinery and equipment	19,322,672	1,168,612	(294,205)	20,197,079
Other improvements	26,398,937	-	-	26,398,937
Total capital assets being depreciated	273,505,611	4,519,966	(294,205)	277,731,372
Less: accumulated depreciation for -				
Land improvements	(10,560,486)	(1,331,333)	-	(11,891,819)
Infrastructure	(23,192,041)	(1,018,229)	-	(24,210,270)
Buildings	(14,404,492)	(1,568,574)	-	(15,973,066)
Machinery and equipment	(15,755,741)	(914,833)	241,010	(16,429,564)
Other improvements	(24,321,096)	(108,899)	-	(24,429,995)
Total accumulated depreciation	(88,233,856)	(4,941,868)	241,010	(92,934,714)
Capital assets being depreciated, net	185,271,755	(421,902)	(53,195)	184,796,658
Total business-type activities capital assets, net	$ 191,112,244	$ 5,464,678	$ (174,513)	$ 196,402,409

	Balance January 1, 2017	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2017
Pueblo Urban Renewal Authority discretely-presented component unit				
Nondepreciable assets -				
Land	$ 1,244,380	$ 3,710	$ (3,560)	$ 1,244,530
Memorial	295,096	-	-	295,096
Total capital assets not being depreciated	1,539,476	3,710	(3,560)	1,539,626
Depreciable assets -				
Buildings	9,995,666	11,339,196	-	21,334,862
Machinery and equipment	1,325,583	212,413	(6,900)	1,531,096
Other improvements	1,381,333	327,174	-	1,708,507
Total capital assets being depreciated	12,702,582	11,878,783	(6,900)	24,574,465
Less: accumulated depreciation for -				
Buildings	(3,684,476)	(313,081)	-	(3,997,557)
Machinery and equipment	(1,117,360)	(60,610)	6,900	(1,171,070)
Other improvements	(898,370)	(108,123)	-	(1,006,493)
Total accumulated depreciation	(5,700,206)	(481,814)	6,900	(6,175,120)
Captial assets being depreciated, net	7,002,376	11,396,969	-	18,399,345
Total Pueblo Urban Renewal Authority capital assets, net	$ 8,541,852	$ 11,400,679	$ (3,560)	$ 19,938,971

	Balance January 1, 2017	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2017
Pueblo Municipal Rail Corporation				
discretely-presented component unit				
Nondepreciable assets -				
Land	$ 529,620	$ -	$ -	$ 529,620
Total capital assets not being depreciated	529,620	-	-	529,620
Depreciable assets -				
Infrastructure	3,071,960	-	-	3,071,960
Total capital assets being depreciated	3,071,960	-	-	3,071,960
Less: accumulated depreciation for -				
Infrastructure	(110,880)	(30,720)	-	(141,600)
Total accumulated depreciation	(110,880)	(30,720)	-	(141,600)
Captial assets being depreciated, net	2,961,080	(30,720)	-	2,930,360
Total Pueblo Municipal Rail Corporations capital assets, net	$ 3,490,700	$ (30,720)	$ -	$ 3,459,980

Depreciation expense was charged to functions/programs as follows:

Depreciation expense:		
Governmental activities -		
General government	$	651,424
Public safety		2,108,349
Public works		2,186,088
Culture and community welfare		534,520
Parks and recreation		931,189
Economic development		230,031
Total depreciation expenses - governmental activities	$	6,641,601
Business-type activities -		
Golf course enterprise fund	$	451,753
Sewer user		1,744,560
Stormwater utility		742,815
Memorial airport		1,423,986
Other enterprise funds		578,754
Total depreciation expense - business-type activities	$	4,941,868
Discretely-preseneted component units -		
Pueblo Urban Renewal Authority	$	481,814
Pueblo Municipal Rail Corporation		30,720
Total depreciation expense - discretely-presented component units	$	512,534

At December 31, 2017, the City had in progress various construction projects for both governmental activities and business-type activities. Costs to date and total estimated costs are summarized below:

	Costs to December 31, 2017	Total Estimated Costs
Governmental activities -		
Parks and recreation projects	$ 29,638	$ 539,802
Outlook and Wills Street upgrade	2,211,601	2,530,000
West 11th street bridge replacement	6,650,823	6,868,607
Other public works projects	754,222	1,860,720
Other projects	210,563	404,350
	$ 9,856,847	$ 12,203,479
Business-type activities -		
Sewer User	$ 1,822,416	$ 8,078,247
Stormwater Utility	366,254	457,661
Memorial Airport	4,898,437	9,422,362
Pueblo Transit	30,172	288,526
	$ 7,117,279	$ 18,246,796

F. DEFERRED INFLOWS OF RESOURCES (NON-PENSION RELATED)

Deferred inflows of resources (non-pension related) at December 31, 2017 are summarized as follows:

	Governmental Activities					
	General Fund	HUD Grants	Public Improvements Fund	Other Governmental Funds	Total	Pueblo Urban Renewal Authority
Property taxes	$ 14,343,970	$ -	$ -	$ 44,647	$ 14,388,617	$ 4,346,966
Notes and loans	650,000	194,069	-	-	844,069	-
Other receivables	2,771,799	299,149	-	-	3,070,948	-
Other unavailable revenue	512,398	17,325	528,621	804,679	1,863,023	-
	18,278,167	510,543	528,621	849,326	20,166,657	4,346,966
Less: amounts recognized as revenue in government-wide statements	(3,265,851)	(316,474)	(409,763)	(804,679)	(4,796,767)	-
	$ 15,012,316	$ 194,069	$ 118,858	$ 44,647	$ 15,369,890	$ 4,346,966

The notes and loans reported above have been included in deferred inflows of resources since the issuance of the notes did not require the disbursement of cash.

G. PENSIONS

Public Employees Retirement Association (PERA)

General Information about the Pension Plan

Plan description. Eligible employees of the City of Pueblo and the Pueblo Urban Renewal Authority are provided with pensions through the Local Government Division Trust Fund (LGDTF) – a cost-sharing multiple-employer defined benefit pension plan as defined in GASB Statement No. 67 and administered by Colorado Public Employees' Retirement Association (PERA). Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit

- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annualized into a monthly benefit based on life expectancy and other actuarial factors.

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF.

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

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

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

	Rate
Employer Contribution Rate	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount Apportioned to the LGDTF	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) As specified in C.R.S. § 24-51-411	1.50%
Total Employer Contribution Rate to the LGDTF	12.68%

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City of Pueblo is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City of Pueblo and PURA were $2,618,354 for the year ended December 31, 2017.

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

At December 31, 2017, the City of Pueblo and PURA reported a liability of $43,251,422 for its proportionate share of the 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 December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The City of Pueblo's and PURA proportion of the net pension liability was based on the City of Pueblo's and PURA's contributions to the LGDTF for the calendar year 2016 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2016, the City of Pueblo's and PURA's proportion was 3.203 percent, which was a decrease of 0.160 percent from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City of Pueblo and PURA recognized pension expense of $6,630,460. At December 31, 2017, the City of Pueblo and PURA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 769,681	$ -
Changes of assumptions or other inputs	3,067,897	125,077
Net difference between projected and actual earnings on pension plans investments	5,194,305	-
Changes in proportionate share	-	882,820
Differences between contributions recognized and proportionate share of contributions	35,316	-
Contributions subsequest to the measurement date	2,618,354	-
Total	$ 11,685,553	$ 1,007,897

The $2,618,354 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 in pension expense as follows:

Year ended	
2018	$ 4,335,482
2019	2,218,955
2020	1,455,475
2021	49,390
	$ 8,059,302

Actuarial assumptions. Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's Board on November 18, 2016 and were effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 10.45 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.250 percent

Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates used in the December 31, 2015 valuation were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (se back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedure.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.

- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.

- Real rate of investment return assumption increased from 4/70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.

- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Bonds	0.46%	3.09%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 18, 2016.

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.

- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial

Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate, and therefore, the discount rate is 7.25 percent.

As of the prior measurement date, the long-term expected rate of return of 7.50 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use the Municipal Bond Index Rate, and therefore, the discount rate was 7.5 percent.

Sensitivity of the City of Pueblo's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent as of the measurement date, as well as if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent):

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1 % Increase (8.25%)
Proportionate share of the net pension liability	$ 63,772,242	$ 43,251,422	$ 26,257,938

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

New Hire Fire and Police Association (FPPA)

General Information about the Pension Plan

Plan description. The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan. The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://www.fppaco.org.

Benefits provided. 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 Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

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

Contributions. The 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 SWDB 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 SWDB plan and their employers are contributing at the rate of 9.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 17.5 percent in 2017. In 2014, the members elected to increase the member contribution rate to the SWDB 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 21.5 percent of base salary in 2017. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per 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 of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.75 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.75 percent in 2017. Per 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 City of Pueblo were $1,718,110 for the year ended December 31, 2017.

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

At December 31, 2017, the City of Pueblo reported a liability of $1,441,379 for its proportionate share of the net pension liability. The net pension liability (asset) was measured as of December 31, 2016, and the total pension liability (asset) used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The City of Pueblo's proportion of the net pension liability (asset) was

based on the City of Pueblo's contributions to the SWDB for the calendar year 2016 relative to the total contributions of participating employers to the SWDB.

At December 31, 2016, the City of Pueblo's proportion was 3.989 percent, which was a decrease of 0.172 percent from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City of Pueblo recognized pension expense of $2,286,295. At December 31, 2017, the City of Pueblo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,286,981	$ 73,307
Net difference between projected and actual earnings on pension plan investments	3,890,590	-
Changes in assumptions or other inputs	984,582	-
Changes in proportionate share	510,008	
Differences between contributions recognized and proportionate share of contributions	403	-
Contributions subsequent to the measurement date	1,718,110	
Total	$ 8,390,674	$ 73,307

The $1,718,110 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 in pension expense as follows:

Year ended	
2018	$ 1,546,685
2019	1,546,685
2020	1,457,947
2021	629,759
2022	322,621
Thereafter	1,095,560
Total	$ 6,599,257

Actuarial assumptions. The actuarial valuations for the SWDB 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 Method	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 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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	100.00%	

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

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 SWDB 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.

Discount rate. 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 City of Pueblo's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower and one percent higher:

	1% Decrease (6.50%)	Rate Assumption (7.50%)	1 % Increase (8.50%)
Proportionate share of the net pension liability (asset)	$ 12,263,821	$ 1,441,379	$ (7,547,192)

Pension plan fiduciary net position. Detailed information about the SWDB's fiduciary net position is available in 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 City reported a payable of $144,340 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2017.

Fire and Police Pension Association Old-Hire Police Plan (Old Hire Police Plan)

General Information About the Pension Plan

Plan description. FPPA administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://www.fppaco.org/pdfs/annual_audit_actuarial_reports/annual%20reports/2014%20cafr.pdf.

Benefits provided. Members included are active employees hired prior to April 8, 1978, electing to remain covered under the provisions of the City's current plan. The Normal Retirement Date of a member shall be the date on which he attains age 55 and has completed 20 years of service, or has completed 25 years of service. Any Police Officer who elects to retire on or after his Normal Retirement Date shall be eligible for a monthly pension equal to 2.5% of his highest annual compensation times years of service, but the total monthly pension shall not be greater than 85% of his highest annual compensation.

A Police Officer who terminated employment with 20 years of service before attaining age 55 shall be eligible for a monthly pension, starting at age 55, calculated in the same manner as the normal retirement benefit. Employee contributions without interest are refunded to Police Officers who terminate employment prior to completion of 20 years of service.

There are no death and disability benefits but members may elect one of the actuarially equivalent joint and survivor options at the time of retirement.

Cost-of-living Adjustment (COLA) benefits are increased in proportion to pay for rank at retirement. The current law has limited the increase to 3% for benefits earned after January 1, 1980. A side fund has been established to provide for full rank escalation.

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

Retirees and Beneficiaries	117
Inactive, Nonretired Members	0
Active Members	0
Total	117

Contributions. Members of this fund are currently contributing at the rate of 10% of base salary. For the year ended December 31, 2017, there were no active members in the plan. The City's actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2016, determines the contribution

amounts for 2017 and 2018. Contributions to the pension plan from the City of Pueblo were $1,542,672 for the year ended December 31, 2017.

Net Pension Liability

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

Actuarial assumptions. The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	15 years *
Asset Valuation Method	5-Year smoothed fair value
Inflation	3.00 percent
Salary Increases	N/A
Investment Rate of Return	7.50 percent
Retirement Age	Any remaining actives are assumed to retire immediately

* Plan is heavily weighted with retiree liabilities and uses an amortization period based on the expected remaining lifetime of the participants.

Mortality rates were bases on the RP-2000 Combined Mortality Table, with Blue Collar Adjustment for post-retirement participants and RP-2000 Disabled Mortality Table for disabled participants, with adjustments for mortality improvements based on Scale AA.

Assumption Changes. The assumptions shown above pertain to the actuarial valuation as of January 1, 2014 and the associated Actuarially Determined Contribution for the year ending December 31, 2016. Following a regularly scheduled experience study in 2015, the Board adopted a new assumption set for first use in the January 1, 2016 valuations. Those assumption changes are incorporated into the Total Pension Liability as of December 31, 2016, since it is based on the actuarial valuation as of January 1, 2016. The assumption changes will be observed in the Actuarially Determined Contribution for the year ending December 31, 2017.

The complete assumption set can be found in the actuarial valuation report as of January 1, 2016. The primary changes as compared to the assumptions shown are as follows:

Inflation	2.50 percent
Mortality: Post-retirement	For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.
Mortality: Disabled (pre-1980)	RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

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

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
Global Equity	36.0%	6.75%
Equity Long/Short	10.0%	4.85%
Illiquid Alternatives	23.0%	8.25%
Fixed Income	15.0%	0.50%
Absolute Return	10.0%	4.05%
Managed Futures	4.0%	3.00%
Cash	2.0%	0.00% *
Total	100.00%	

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

Discount rate. 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%.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2016	$ 65,398,075	$ 49,248,713	$ 16,149,362
Changes for the year:			
Service cost	-	-	-
Interest	4,699,710	-	4,699,710
Differences between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contributions - employer	-	1,226,430	(1,226,430)
Contributions - employee	-	-	-
Net investment income	-	2,495,649	(2,495,649)
Benefit payments	(5,571,276)	(5,571,276)	-
Admistrative expense	-	(78,233)	78,233
Net changes	(871,566)	(1,927,430)	1,055,864
Balances at 12/31/2017	$ 64,526,509	$ 47,321,283	$ 17,205,226

Sensitivity of the City of Pueblo's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower and one percent higher:

	1% Decrease (6.50%)	Single Discount Rate Assumption (7.50%)	1 % Increase (8.50%)
City's net pension liability	$ 22,883,170	$ 17,205,226	$ 12,296,353

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

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

For the year ended December 31, 2017, the City of Pueblo recognized pension expense of $2,088,788. At December 31, 2017, the City of Pueblo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ -
Net difference between projected and actual earnings on pension plan investments	2,665,249	-
Contributions subsequent to the measurement date	1,542,672	-
Total	$ 4,207,921	$ -

The $1,542,672 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 in pension expense as follows:

Year ended	
2018	$ 841,632
2019	841,630
2020	774,961
2021	207,026
	$ 2,665,249

Payable to the pension plan

At December 31, 2017, the City reported a payable of $130,952 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2017.

Fire and Police Pension Association Old Hire Fire Plan (Old Hire Fire Plan)

General Information about the Pension Plan

Plan description. The FPPA administers an agent multiple-employer PERS. The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPS issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://www.fppaco.org/pdfs/annual_audit_actuarial_reports/annual%20reports/2014%20cafr.pdf.

Benefits provided. Members included are active employees hired prior to April 8, 1978, electing to remain covered under the provisions of the City's current plan. The Normal Retirement Date of a member shall be the date on which he attains age 50 and has completed at least 20 years of credited service. Any Firefighter who elects to retire on or after his Normal Retirement Date shall be eligible for a monthly pension equal to one-half of his basic monthly salary at the date of his retirement, plus an additional 3% of monthly salary for each additional full year worked after reaching eligibility for normal retirement and after January 1, 1994. In addition, for each full month of service after reaching eligibility for normal retirement the monthly pension shall be increased by 0.25% of monthly salary. In no case shall the total benefit exceed 80% of monthly salary.

Active members who die with less than 20 years of service and 50 years of age are covered by the provisions of the Statewide Death and Disability fund. The spouses of active members who die after attaining eligibility for retirement benefits receive a benefit from the plan payable as a 50% joint and survivor benefit. Disability benefits are payable from the Statewide Death and Disability fund.

At the death of a retired member, the member's beneficiary shall receive until death or remarriage, a monthly pension equal to one-third of the salary of the highest paid Firefighter at the time of retirement, but not less than $750 per month. Prior to retirement, the Firefighter can also choose an actuarially equivalent joint and survivor option as specified in section 2-2-18 of the city code of Ordinances.

Cost-of-living Adjustment (COLA) benefits are increased in proportion to pay for rank at retirement. The current law has limited the increase to 3% for benefits earned after January 1, 1980. Survivor benefits equal to one-third of the salary of a first-grade Firefighter at the time of retirement, but not less than $750 per month, are not eligible for rank escalation increases. Survivor benefits based on the actuarially equivalent Option A or Option B are eligible for rank escalation increases.

A member may elect to participate in the Deferred Retirement Option Plan (DROP) after reaching eligibility for Normal Retirement. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into the DROP. The member's percentage of retirement benefit is frozen at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated until the member terminates service, at which time the DROP accumulated benefits can be paid as a lump sum, if desired. The member continues contributing 8% of pay which is credited to the DROP.

Employees covered by benefit terms. At December 31, 2017, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	133
Inactive, Nonretired Members	0
Active Members	0
Total	133

Contributions. Members of this fund are currently contributing at the rate of 8% of base salary. For the year ended December 31, 2017, there were no active members in the plan. The City's actuarially determined contribution rates are calculated as of January 1, of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2016 determines the contribution amounts for 2017 and 2018. Contributions to the pension plan from the City of Pueblo were $1,545,814 for the year ended December 31, 2017.

Net Pension Liability

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

Actuarial assumptions. The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	13 years *
Asset Valuation Method	5-Year smoothed fair value
Inflation	3.00 percent
Salary Increases	N/A
Investment Rate of Return	7.50 percent
Retirement Age	Any remaining actives are assumed to retire immediately

* Plan is heavily weighted with retiree liabilities and uses an amortization period based on the expected remaining lifetime of the participants.

Mortality rates were bases on the RP-2000 Combined Mortality Table, with Blue Collar Adjustment for post-retirement participants and RP-2000 Disabled Mortality Table for disabled participants, with adjustments for mortality improvements based on Scale AA.

Assumption Changes. The assumptions shown above pertain to the actuarial valuation as of January 1, 2014 and the associated Actuarially Determined Contribution for the year ending December 31, 2016. Following a regularly scheduled experience study in 2015, the Board adopted a new assumption set for first

use in the January 1, 2016 valuations. Those assumption changes are incorporated into the Total Pension Liability as of December 31, 2016, since it is based on the actuarial valuation as of January 1, 2016. The assumption changes will be observed in the Actuarially Determined Contribution for the year ending December 31, 2017.

The complete assumption set can be found in the actuarial valuation report as of January 1, 2016. The primary changes as compared to the assumptions shown are as follows:

Inflation	2.50 percent
Mortality: Post-retirement	For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.
Mortality: Disabled (pre-1980)	RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	36.0%	6.75%
Equity Long/Short	10.0%	4.85%
Illiquid Alternatives	23.0%	8.25%
Fixed Income	15.0%	0.50%
Absolute Return	10.0%	4.05%
Managed Futures	4.0%	3.00%
Cash	2.0%	0.00% *
Total	100.0%	

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

Discount rate. 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%.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2016	$ 48,844,137	$ 34,719,752	$ 14,124,385
Changes for the year:			
Service cost	-	-	-
Interest	3,498,913	-	3,498,913
Differences between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contributions - employer	-	1,324,595	(1,324,595)
Contributions - employee	-	-	-
Net investment income	-	1,755,976	(1,755,976)
Benefit payments	(4,464,644)	(4,464,644)	-
Admistrative expense	-	(57,923)	57,923
Net changes	(965,731)	(1,441,996)	476,265
Balances at 12/31/2017	$ 47,878,406	$ 33,277,756	$ 14,600,650

Sensitivity of the City of Pueblo's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower and one percent higher:

	1% Decrease (6.50%)	Single Discount Rate Assumption (7.50%)	1 % Increase (8.50%)
City's net pension liability	$ 18,584,850	$ 14,600,650	$ 11,135,727

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

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

For the year ended December 31, 2017, the City of Pueblo recognized pension expense of $1,665,528. At December 31, 2017, the City of Pueblo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ -
Net difference between projected and actual earnings on pension plan investments	1,882,955	-
Contributions subsequent to the measurement date	1,545,814	-
Total	$ 3,428,769	$ -

The $1,545,814 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 in pension expense as follows:

Year ended	
2018	$ 594,917
2019	594,915
2020	547,074
2021	146,049
	$ 1,882,955

Payable to the pension plan

At December 31, 2017, the City reported a payable of $130,494 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2017.

H. 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, 2017	Increases	Decreases	Balance December 31, 2017	Due Within One Year
Governmental activities					
Certificates of participation -					
LED street lights, series 2014	3,418,176	-	(390,716)	3,027,460	400,640
Police complex, refunded 2016	16,380,000	-	(2,287,676)	14,092,324	2,225,051
	19,798,176	-	(2,678,392)	17,119,784	2,625,691
Capital leases -					
Radio equipment	459,058	-	(459,058)	-	-
Fire equipment	111,060	-	(54,757)	56,303	56,303
Parks equipment	212,592	-	(212,592)	-	-
Tyler ERP system	1,375,723	-	(185,838)	1,189,885	189,188
Fire pumper/Phone upgrade	1,274,567	-	(245,802)	1,028,765	250,276
Police vehicles	1,123,837	-	(222,010)	901,827	220,612
	4,556,837	-	(1,380,057)	3,176,780	716,379
Compensated absences	6,304,589	4,977,911	(5,354,091)	5,928,409	592,841
Claims and judgments	1,759,564	397,366	(1,408,334)	748,596	636,307
Net post-employment benefit obligation	6,529,265	1,618,446	(343,804)	7,803,907	-
Total governmental activities	$ 38,948,431	$ 6,993,723	$ (11,164,678)	$ 34,777,476	$ 4,571,218

Payments on the general obligation bonds and certificates of participation are recorded in the debt service fund, along with the capital lease payments. The payments for compensated absences are also recorded in the general fund, while claims and judgments are recognized in the internal service fund. Payments on the net post-employment benefit obligation are also recorded in the general fund.

The cost and accumulated depreciation applicable to the assets that are the subject of the capital leases is as follows:

	Costs	Accumulated Depreciation to December 31, 2017
Radio equipment	$ 3,900,000	$ 2,080,000
Fire equipment	1,354,979	607,579
Parks equipment	1,024,394	883,400
Police equipment	1,121,137	457,127
Fire pumper/Phone upgrade	1,541,587	331,878
Tyler ERP system	1,924,275	641,425
	$10,866,372	$ 5,001,409

	Balance January 1, 2017	Increases	Decreases	Balance December 31, 2017	Due Within One Year
Business-type activities:					
Capital leases -					
Elmwood golf course	$ 100,149	$ 381,185	$ (100,149)	$ 381,185	$ 77,785
Walking Stick golf course	1,204,247	487,998	(231,426)	1,460,819	242,710
Storm water utility	87,877	-	(43,410)	44,467	44,467
Honor farm nonmajor enterprise fund	35,370	-	(35,370)	-	-
Total	1,427,643	869,183	(410,355)	1,886,471	364,962
Notes payable - sewer user fund					
2003 issue	3,555,588	-	(406,667)	3,148,921	412,162
2009 issue	1,012,500	-	(75,000)	937,500	75,000
2010 issue	17,525,902	-	(1,074,130)	16,451,772	1,095,879
Unamortized premium	954,043	-	(70,238)	883,805	-
2014 issue	3,982,004	-	(185,029)	3,796,975	186,878
	27,030,037	-	(1,811,064)	25,218,973	1,769,919
Compensated absences	826,007	631,653	(695,515)	762,145	76,215
Total business-type activities	$ 29,283,687	$ 1,500,836	$ (2,916,934)	$ 27,867,589	$ 2,211,096

All of the above obligations for the City's business-type activities are serviced by the respective fund where the liability is recorded.

The cost and accumulated depreciation applicable to the assets that are the subject of the capital leases is as follows:

	Costs	Accumulated Depreciation to December 31, 2017
Elmwood golf course equipment	$ 642,139	$ 356,293
Walking stick golf course equipment	2,431,545	1,464,563
Stormwater utility equipment	294,284	294,284
Honor farm nonmajor enterprise fund	171,328	135,786
	$ 3,539,296	$ 2,250,926

	Balance January 1, 2017	Increases	Decreases	Balance December 31, 2017	Due Within One Year
Pueblo Urban Renewal Authority discretely-presented component unit					
Revenue bonds, series 2006	$ 7,193,000	$ -	$ (7,193,000)	$ -	$ -
Unamortized premium	67,935	-	(67,935)	-	-
	7,260,935	-	(7,260,935)	-	-
Improvement revenue bonds, series 2011B	13,685,000	-	(345,000)	13,340,000	365,000
Unamortized premium	488,418	-	(32,429)	455,989	32,429
	14,173,418	-	(377,429)	13,795,989	397,429
Revenue refunding bonds, series 2017	-	7,363,000	(425,100)	6,937,900	445,100
	-	7,363,000	(425,100)	6,937,900	445,100
Sales tax increment bonds, series 2017	-	17,030,000	-	17,030,000	1,350,000
Unamortized discount	-	(132,748)	-	(132,748)	6,987
	-	16,897,252	-	16,897,252	1,356,987
Bank notes	5,885,151	206,188	(588,988)	5,502,351	402,973
Compensated absences	9,697	39,518	(13,955)	35,260	35,260
Total Pueblo Urban Renewal Authority discretely-presented component unit activities	$ 27,329,201	$ 24,505,958	$ (8,666,407)	$ 43,168,752	$ 2,637,749

	Balance January 1, 2017	Increases	Decreases	Balance December 31, 2017	Due Within One Year
Pueblo Municipal Rail Corporation discretely-presented component unit					
Note payable	$2,325,204	$ -	$ -	$ 2,325,204	$ 340,290

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

Certificates of Participation

$16,380,000 certificates of participation issued by the City; interest rate of 2.16%; due in annual installments, including interest, of $2,529,445 through August 15, 2023; debt is serviced by the debt service fund, and is subject to annual appropriation by City Council	$14,092,324
$4,200,000 certificates of participation issue of Pueblo Municipal Building Corporation; interest rate of 2.54%; due in annual installments of $477,537 including interest through August 2024; debt is serviced by debt service fund and is subject to annual appropriation by City Council	3,027,460
	17,119,784

Obligations under capital lease

$363,503 obligation under capital lease; interest rate of 2.825%; payable in annual installments of $57,894 including interest through January 2018; debt is serviced by the debt service fund and is subject to annual appropriation by City Council	56,303
$1,924,275 obligation under capital lease; interest rate of 1.87%; payable in annual installments of $211,551 including interest through January 2023; debt is serviced by the debt service fund and is subject to annual appropriation by City Council	1,189,885
$1,541,618 obligation under capital lease; interest rate of 1.82%; payable in annual installments of $173,253, including interest through January 2021; debt is serviced by the debt service fund and is subject to annual appropriation by City Council	1,028,765
$1,345,847 obligation under capital lease; interest rate of $1.45%; payable in annual installment of $233,688, including interest through January 2021; debt is serviced by the debt service fund and is subject to annual appropriation by City Council	901,827
	3,176,780

Other Obligations	
Compensated absences	$5,928,409
Self-insured claims and judgments	748,596
Net post-employment benefit obligation	7,803,907
	14,678,274
Total governmental activities	$ 34,974,838

The debt service requirements for the governmental activities certificates of participation are as follows:

Year Ending December 31,	Principal	Interest	Total
2018	$ 2,625,691	$ 381,292	$ 3,006,983
2019	2,683,928	323,054	3,006,982
2020	2,743,462	263,520	3,006,982
2021	2,804,322	202,661	3,006,983
2022	2,866,536	140,446	3,006,982
2023-2024	3,395,845	88,675	3,484,520
	$17,119,784	$ 1,399,648	$ 18,519,432

The debt service requirements for the governmental activities capital leases are as follows:

Year Ending December 31,	Principal	Interest	Total
2018	$ 716,379	$ 55,753	$ 772,132
2019	671,385	42,853	714,238
2020	682,891	31,347	714,238
2021	694,659	19,579	714,238
2022	203,818	7,733	211,551
2023	207,648	3,903	211,551
	$ 3,176,780	$ 161,168	$ 3,337,948

On December 9, 2016, the City issued $16,380,000 in Certificates of Participation (2016 COPS), Series 2016 with an interest rate of 2.16 percent to advance refund $14,985,000 of outstanding Certificates of Participation (2008 COPS), Series 2008 with an average interest rate of 5.45 percent. The net proceeds of $16,264,933 (after payment of $115,067 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the COPS Series 2008. As a result, the Certificates of Participation, Series 2008 are considered to be defeased and the liability for those COPS has been removed from the government-wide statement of net position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $1,358,146. This difference, reported in the accompanying statement of net position as a deferred outflow of resources, is being charged to operations through the year 2023 using the effective-interest method. The City completed the advance refunding to reduce its total debt service

payments over the next seven years by $682,427 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $639,498.

The $4,200,000 LED street lights, series 2014 certificates of participation issued by PMBC represent assignments of proportionate interests in rights to receive payments pursuant to an annually renewable lease purchase agreement and site lease agreement dated October 1, 2014. The principal and interest on the certificates is payable solely from annually appropriated base rentals paid by the City to PMBC. The certificates shall never constitute or give rise to a general obligation of the City within the meaning of any constitutional, statutory or other charter limitation. All the payment obligations of the City are subject to annual appropriation by City Council.

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

Obligations Under Capital Leases

$1,700,000 obligation under capital lease; interest rate of 4.97%; due in annual installments of $191,479 including principal and interest through January 2023; debt is serviced by the Walking Stick golf course major enterprise fund and is subject to annual appropriation by City Council	$972,821
$294,284 obligation under capital lease; interest rate of 2.44%; due in annual installments of $45,550 including principal and interest through February 2018; debt is serviced by the storm water utility major enterprise fund and is subject to annual appropriation by City Council	44,467
$381,185 obligation under capital lease; interest rate of 3.21%; due in annual installments of $82,033 including principal and interest through February 2022; debt is serviced by the Elmwood golf course major enterprise fund and is subject to annual appropriation by City Council	381,185
$487,998 obligation under capital lease; interest rate of 3.21%; due in annual installments of $105,020 including principal and interest through February 2022; debt is serviced by the Walking Stick golf course major enterprise fund and is subject to annual appropriation by City Council	487,998
	1,886,471

Notes payable

$8,402,620 note payable to Colorado Water Resources and Power Development Authority; interest rate of 3.25%; due in semiannual installments ranging from $258,725 to $269,194 including principal, interest and administrative fees through August 2024; debt is serviced by the sewer user major enterprise fund	3,148,921

$1,500,000 note payable to Colorado Water Resources and Power Development Authority; non-interest bearing; due in semi-annual installments of $37,500 through February 2030; debt is serviced by the sewer user major enterprise fund	937,500
$23,595,277 note payable to Colorado Water Resources and Power Development Authority; interest rate of 2.5%; due in semi-annual installments including principal, interest and administrative fees ranging from $793,437 to $798,366 through August 2030; debt is serviced by the sewer user major enterprise fund	16,451,772
$4,179,047 note payable to Colorado Water Resources and Power Development Authority; interest rate of 1.13%; due in semi-annual installments including principal, interest and administrative fees ranging from $257,582 to $266,240 through August, 2035; debt is serviced by sewer user major enterprise fund	3,796,975
	24,335,168
Other obligations	
Compensated absences	796,366
Total business-type activities	$ 27,018,005

The debt service requirements for the business-type activities capital leases are as follows:

Year Ending December 31,	Principal	Interest	Total
2018	$ 364,962	$ 65,784	$ 430,746
2019	315,089	68,486	383,575
2020	327,848	54,077	381,925
2021	341,147	39,096	380,243
2022	355,012	23,520	378,532
2023	182,413	9,066	191,479
	$ 1,886,471	$ 260,029	$ 2,146,500

The debt service requirements for the business-type activities notes payable are as follows:

Year Ending December 31,	Principal	Interest	Total
2018	$ 1,769,919	$ 400,502	$ 2,170,421
2019	1,803,923	369,896	2,173,819
2020	1,836,971	326,807	2,163,778
2021	1,881,096	286,140	2,167,236
2022	1,914,727	246,843	2,161,570
2023-2025	15,128,532	966,673	16,095,205
	$24,335,168	$ 2,596,861	$ 26,932,029

The notes payable with the Colorado Water Resources and Power Development Authority provided funds for various projects associated with the City's wastewater system. The loan agreements provide that the net revenue of the sewer user major enterprise fund is pledged as the repayment source for these notes.

The following is a description of each individual issue for the Pueblo Urban Renewal Authority:

Revenue Bonds, Series 2006
The original of the Series 2006 bonds was $9,500,000 to be used in the expanded urban renewal project area, specifically to assist in the financing and construction of a parking garage. The bonds have interest rates ranging from 4.698% to 4.937%. Payments are due in annual installments ranging from $754,202 to $755,611, including interest, through September 2029.

Refunding
On June 15, 2017, the Authority refunded $7,193,000 of Revenue Bonds dated 2006 (above), by the issuance of $7,363,000 Revenue Refunding Bonds with a 3.95% fixed interest rate. The Authority refunded the 2006 Series bonds to fix the authority's interest rate at 3.95% from a variable rate. The difference between the present values of the debt service payments on the old and new debt was $157,062.

Revenue Refunding Bonds, Series 2017
On June 15, 2017, The Authority issued $7,363,000 Revenue Refunding Bonds, maturing September 1, 2029. The bonds bear interest at a per annum rate of 3.95% and payments are due in annual installments ranging from $755,686 to $762,148, including interest, through September 2029.

Improvement Revenue Bonds, Series 2011B
The series 2011B improvement revenue bond issue totaling $10,000,000 was consummated in June 2011 for the purpose of providing funds for the remodeling and restoring of the historic Memorial Hall which is within the expanded downtown district. Interest rates on the bonds range from 2.5% to 5.25%, and payments are due in annual installments ranging from $600,676 to $1,068,688, including interest, through December 2038. The series 2011B improvement revenue bonds are special limited obligations of the Authority. Interest and principal are payable from the proceeds of the pledged revenue which consists of 3.3% of the City of Pueblo's sales and use tax collections.

State Sales Tax Increment Revenue Bonds, Series 2017
The series 2017 improvement revenue bond issue totaling $17,030,000 was consummated in July 2017 for the purpose of providing funds for the design, construction, equipping and improvement of Phase 1, and component parts of Phases 2 and 3 of the RTA Project consisting of the Pueblo Convention Center. Interest rates on the bonds range from 2.25% to 5.00%, and payments are due in semi-annual installments ranging from $91,250 to $3,741,2502 including interest, through June 2036.

Bank Note – Lake Avenue

The bank note issue of $3,000,000 (series 2011 bonds) was issued in March 2011 to provide funds for the construction of certain infrastructure and other improvements in the Lake Minnequa District. The note carries an interest rate of 4.5%, and payments are due in annual installments of principal and interest ranging from $258,900 to $271,700, through December 2029. Interest and principal on this note is payable from the pledged incremental property tax generated within the Lake Minnequa district.

Bank Note – Office Condo

The bank note of $256,000 for purchase of office space carries an interest rate indexed at 2 points over 5-year LIBOR/swap rate, and was payable in monthly installments of $1,462 through December 2016. The note was refinanced on February 6, 2017 in the amount of $206,188. The interest rate on the note is set at 2q points over the 5-year LIBOR/swap rate, and is payable in monthly installments of $1,531 through January 15, 2022. Upon maturity, the note is due in full, which is estimated at $152,362. The balance of the note at December 31, 2017 is $173,350. The note is secured by real estate with a carrying value of $349,107 at December 31, 2017.

Bank Note – Dillon Flyover

The multi-draw term bank note of $4,000,000 was issued in December 2013 to provide assistance for the construction of the Dillon flyover infrastructure project together with other improvements in the North Pueblo district. Then note carries an interest rate of 3.95% and is due in annual installments of $327,942 in principal and interest. Interest and principal on this note is payable from the pledged incremental property taxes generated within the North Pueblo district. In connection with this note, the Authority and the City entered into an agreement in December 2013 which allows the City, at its discretion, to fund any shortfalls in the Authority's ability to make debt service payments from pledged incremental property taxes. The agreement provides that, if the North Pueblo tax increment financing district eventually provides the Authority with a surplus of incremental property taxes, the Authority will repay the shortfall amounts paid by the City, together with 5% simple interest. During 2017, the City paid $178,778 in debt service shortfall and $29,878 in accrued interest was recognized.

The debt service requirements for the Pueblo Urban Renewal Authority discretely-presented component unit governmental activities revenue bonds and notes payable are as follows:

Year Ending December 31	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2018	$ 1,885,100	$ 1,411,115	$ 402,974	$ 230,019
2019	2,141,100	811,431	423,018	213,225
2020	2,377,100	785,873	443,460	195,583
2021	2,765,100	757,025	459,317	177,075
2022	2,959,100	727,602	437,303	158,636
2023-2027	4,352,500	3,146,880	2,474,094	503,868
2028-2032	6,212,900	2,063,186	862,185	50,247
2033-2037	9,970,000	975,452	-	-
2038	1,010,000	53,026	-	-
	$33,672,900	$ 10,731,590	$ 5,502,351	$ 1,528,653

Tax-Exempt Refunds Bonds, Series 2011B

The total amount issued under the tax-exempt refunding bonds series 2011B was $3,890,000, with interest rates ranging from 2.50% to 5.5%. The bonds are payable in annual installments ranging from $221,026 to $465,125, including principal and interest through December 2028.

The debt service requirements for the Pueblo Urban Renewal Authority discretely-presented component unit business-type activity bonds are as follows:

Year Ending December 31	Principal	Interest
2018	$ 275,000	$ 187,950
2019	285,000	174,200
2020	290,000	159,950
2021	305,000	145,450
2022	325,000	130,200
2023-2027	1,945,000	371,964
2028-2032	210,000	11,026
	$ 3,635,000	$ 1,180,740

Debt service Pueblo Municipal Rail Corporation:

The following is a description of each individual issue for the Pueblo Municipal Rail Corporation discretely-presented component unit:

Note Payable

$2,200,000 promissory note in favor of the City of Pueblo, Colorado; interest at prime; present anticipated due date is April 2023; collateralized by land with a carrying value of $529,620	$ 2,325,204

The debt service requirements for the Pueblo Municipal Rail Corporation discretely-presented component unit are as follows:

Year Ending December 31,	Principal	Interest	Total
2018	$ 572,637	$ 107,943	$ 680,580
2019	293,329	46,961	340,290
2020	306,753	33,537	340,290
2021	320,792	19,498	340,290
2022	231,693	5,027	236,720
2023	600,000	146,250	746,250
	$ 2,325,204	$ 359,216	$ 2,684,420

I. 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 is as follows:

	Governmental Acivities	Pueblo Urban Renewal Authority
Tabor	$ 2,700,000	$ -
Economic development	82,656,550	-
Debt service and district projects	-	24,773,853
Cpaital projects	1,511,947	-
Public safety	1,592,260	-
Public works	5,114,361	-
Parks and recreation	1,119,625	-
Culture and community welfare	6,263,656	-
	$ 100,958,399	$ 24,773,853

Restricted for TABOR – This represents approximately 3% of the City's 2017 fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the City's net position can be used for declared emergencies only and the City must maintain 3% or more of its fiscal year spending in this restricted account. The City does not believe this restriction meets the definition of a stabilization arrangement under generally accepted accounting principles.

Restricted for economic development – For governmental activities, this amount represents the fund balance of the major special revenue Economic Development ½-cent Tax Fund. The provisions of the enabling ordinance as approved by the voters of the City provide that the funds available in this fund are limited to expenditures incurred for the creation of primary jobs within the City to include the area around the airport.

All other governmental activities restrictions – The remaining governmental activities restricted captions (capital projects, public safety, public works, parks and recreation, and culture and community development) represent the fund balances of the major HUD grants fund, the major public improvements fund, the major capital improvement fund, and other governmental funds.

Pueblo Urban Renewal Authority 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 on regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislations.

J. FUND BALANCES

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

	Governmental Activities					
	General Fund	Economic Development 1/2 Cent Tax Fund	HUD Grants Fund	Public Improvements Funds	Other Governmental Funds	Total
Fund Balances -						
Nonspendable -						
Inventories	$ 27,000	$ -	$ 553,868	$ -	$ -	$ 580,868
Prepaid items	393,696	-	-	-	-	393,696
Long-term fund advances	1,402,492	-	-	747,000	-	2,149,492
Restricted - Tabor	2,700,000	-	-	-	-	2,700,000
Economic development incentives	-	82,656,550	-	-	-	82,656,550
Low and moderate income assistance	-	-	4,835,406	-	354,944	5,190,350
Streets, highways and bridges	-	-	-	-	2,607,720	2,607,720
Police and fire assistance	-	-	-	-	1,592,260	1,592,260
Parks and recreation projects	-	-	-	-	1,119,625	1,119,625
Waste and other disposal	-	-	-	-	2,506,641	2,506,641
District maintenance	-	-	-	-	177,414	177,414
Cemetery maintenance	-	-	-	-	342,024	342,024
Capital projects	-	-	-	1,342,403	169,544	1,511,947
Committed -						
Minimum reserve	8,540,589	-	-	-	-	8,540,589
Capital projects	-	-	-	104,831	-	104,831
Assigned -						
Subsequent years' expenditures	4,761,426	-	-	-	-	4,761,426
Year-end sales and use tax receivable	6,090,507	-	-	-	-	6,090,507
Capital projects	-	-	-	1,233,063	-	1,233,063
Parks and recreation projects	-	-	-	-	55,538	55,538
Donor specified projects	-	-	-	-	107,393	107,393
Unassigned	7,715,290	-	-	-	(4,008)	7,711,282
	$ 31,631,000	$ 82,656,550	$ 5,389,274	$ 3,427,297	$ 9,029,095	$ 132,133,216

City Council has committed 10% of total general fund expenditures and transfers as a minimum reserve for major unanticipated emergencies.

IV. OTHER NOTE DISCLOSURES

A. RISK MANAGEMENT

The City 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 torts, errors and omissions, and property and casualty are covered by the City's participation in the property and casualty pool of the Colorado Intergovernmental Risk Sharing Agency (CIRSA) which is a separate and independent governmental public entity risk pool formed through intergovernmental agreement by member municipalities to provide defined liability and property coverage. The membership agreement provides that the pool be self-sustaining through member premiums and reinsure with commercial companies for claims in excess of $250,000 per occurrence for property and $1,000,000 per occurrence for casualty.

The City has elected to self-insure for workmen's compensation with a specific retention risk of $550,000 in 2017. Claims and insurance costs are recognized as expenses in the internal service fund and totaled $1,866,521 for the year ended December 31, 2017. At December 31, 2017, the actuarially determined loss reserve for self-insured workmen's compensation claims totaled $748,596 which represents the discounted present value of expected losses using a discount rate assumption of 3% and includes claims incurred but not yet reported. Changes in this claims liability for the years ended December 31, 2017 and 2016 are as follows:

	Year Ended December 31	
	2017	2016
Estimated claims liability, January 1	$ 1,759,564	$ 2,159,539
Current year claims and changes in estimates	397,366	1,600,529
Current year payments	(1,408,334)	(2,000,504)
Esimated claims liability, December 31	$ 748,596	$ 1,759,564

Employee health claims are covered by commercial insurance. The City's share of the cost is charged to each general fund department or fund, as applicable. In addition, settlement claims for each of the last three years did not exceed insurance coverage amounts in areas where commercial insurance is used to cover the risk of loss.

B. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

POLICE OFFICERS' AND FIREMENS' PLANS

Description of Plans – The City provides post-employment health, dental care and vision benefits to uniformed police officers, firemen and their covered eligible dependents under single-employer, defined benefit plans. All post-employment benefits are based on contractual agreements with employee groups and eligibility is based on years of service and/or minimum age.

Funding Policy – The annual required contribution (ARC) is based on projected pay-as-you-go financing requirements that reflect implicit rate subsidies. For the year ended December 31, 2017, the City contributed $146,140 to the plan maintained for firemen and $197,664 to the plan maintained for police officers.

Annual OPEB Cost and Net OPEB Obligation – the City's OPEB cost (expense) is calculated based on annual required contributions (ARC) which is an amount determined on an actuarially determined basis in accordance with the parameters outlined by generally accepted accounting principles. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table reports the components of the City's OPEB costs for the year ended December 31, 2017, the amounts actually contributed to the plan and the changes in the City's net OPEB obligation:

	Police Officers' Plan	Firemen's Plan
Annual required contribution	$ 1,027,087	$ 717,840
Interest on net OPEB obligation	129,770	98,754
Adjustment to annual required contribution	(201,593)	(153,412)
Annual OPEB cost (expense)	955,264	663,182
Contributions made	(197,664)	(146,140)
Increase in net OPEB obligation	757,600	517,042
Net OPEB obligation, beginning of year	3,707,711	2,821,554
Net OPEB obligation, end of year	$ 4,465,311	$ 3,338,596

	Three-Year Trend Information			
	Year Ending	Annual OPEB Cost	Percentage of ARC Contributed	Net OPEB (Obligation)
Police Officers' Plan	December 31, 2015	1,039,172	23.43%	(2,969,528)
	December 31, 2016	929,082	20.55%	(3,707,711)
	December 31, 2017	955,264	19.24%	(4,465,311)
Firemen's Plan	December 31, 2015	724,847	22.13%	(2,276,282)
	December 31, 2016	647,955	15.85%	(2,821,544)
	December 31, 2017	663,182	20.36%	(3,338,596)

Funded Status and Funding Progress – The funded status of the plans as of January 1, 2017 is as follows:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(a) - (b) = (c) Unfunded Actuarial Liability	(a) / (b) Funded Ratio	(d) Annual Covered Payroll	(c) / (d) Unfunded Actuarial Liability as a Percentage of Covered Payroll
Police Officers' Plan						
1/1/17	$ -	$ 8,610,940	$ 8,610,940	0.00%	$ 11,225,173	76.71%
Firemen's Plan						
1/1/17	$ -	$ 6,231,607	$ 6,231,607	0.00%	$ 8,260,334	75.44%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events occurring far into the future. Examples include assumptions about future employment, mortality and health cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress that are presented as required supplementary information following the notes to the financial statements present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

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

The data presented in the schedules of funding progress were determined as part of the actuarial valuation at the date indicated. Additional information for all plans as of the latest valuation date is as follows:

	Police Officers Plan	Firemen's Plan
Valuation date	January 1, 2017	January 1, 2017
Actuarial cost method	Projected unit credit	Projected unit credit
Amortization method	Level dollar open	Level dollar open
Remaining amortization period	30 years	30 years

Asset valuation method	Fair value	Fair value
Investment rate of return	3.50%	3.50%
Healthcare inflation rate		
Initial (medical)	8.50%	8.50%
Ultimate (medical)	5.0%	5.0%
Initial (dental)	5.0%	Benefit not available
Ultimate (dental)	5.0%	Benefit not available

The healthcare cost inflation rates reported above include a 3.0% general inflation rate assumption.

NEW HIRE FIRE AND POLICE DEATH AND DISABILITY

The City of Pueblo 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 770-3772 in the Denver metro area or 1-800-332-3772 from outside the metro area.

Plan members and the City of Pueblo are required to contribute at a rate set by statute. The contribution requirements of plan members and the City of Pueblo are established under Title 31, Article 30, part 10 of the CRS, as amended. The contribution rate for new-hire police members is 0.00% of covered salary and for the City of Pueblo the contribution rate is 2.60% of covered salary. The contribution rate for new-hire fire members is .10% of covered salary and for the City of Pueblo the contribution rate is 2.50% of covered salary. The City of Pueblo's contributions to the statewide death and disability plan for the years ended December 31, 2017, 2016, 2015, and 2014 were $449,375, $416,280, $399,093, and $377,140, equal to their required contributions for each year.

GENERAL SERVICE EMPLOYEES

The City contributes to the Health Care Trust Fund (HCTF), a cost-sharing, multiple-employer postemployment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA-participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, part 12 of the Colorado Revised Statues (CRS), as amended, assigns the authority to establish the HCTF benefit provisions to the state legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained at www.copera.org or by writing to PERA of Colorado, 1301 Pennsylvania Street, Denver, Colorado, 80203, or by calling PERA at 1-800-759-7372.

The City is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute and no member contributions are required. The contribution requirements for the City are established under Title 24, Article 51, part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, section 208 of the CRS, as amended. For the years ended December 31, 2017, 2016, 2015, and 2014, the City's employer contributions to the HCTF were $297,408, $195,067, $207,732, and $226,674, equal to their required contributions for each year.

C. OTHER REPORTING ENTITY DISCLOSURES

JOINT VENTURES

PUEBLO REGIONAL BUILDING DEPARTMENT

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

PUEBLO CITY-COUNTY HEALTH DEPARTMENT

The Pueblo City-County Health Department is also a joint venture between the City of Pueblo and the County of Pueblo. The Department was created in 1952 for the purpose of providing public health care services to the residents of the city and county. A portion of the Department's revenues are composed of subsidies from the City of Pueblo and County of Pueblo, with the City's totaling $719,483 for 2017. The governing body of the Department is composed of five members, two of which are appointed by the City of Pueblo, two are appointed by the County of Pueblo, and one member is jointly appointed.

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

HISTORIC ARKANSAS RIVERWALK AUTHORITY

The City is a participant with the County of Pueblo (the County), the Pueblo Urban Renewal Authority (PURA), the Pueblo Conservancy District (the District) and the Board of Water Works (the Board) in a joint venture known as the Historic Arkansas Riverwalk Authority (the Authority). The Authority's purpose is to promote, manage, supervise, operate, develop and maintain the Historic Arkansas Riverwalk Project (HARP). The governing body is composed of seven members, two of which are appointed by the City, while each of the other participants appoints one member and one member is appointed by the majority vote of an appointment committee composed of five persons who are appointed by each of the governing bodies of the parties. A portion of the Authority's revenues are composed of subsidies from the City of Pueblo and the County of Pueblo, with the City's totaling $210,547 for 2017.

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

JOINTLY GOVERNED ORGANIZATION

PUEBLO AREA COUNCIL OF GOVERNMENTS (PACOG)

PACOG was formed in 1971 to serve as an interlocal advisory board through which local government entities may be aided in dealing with issues of common interest that transcend geographic borders to include a comprehensive regional planning process. PACOG's governing body is composed of 15 members, of which 7 are City Council members. The City's accountability is limited to making these appointments. During 2017, the City appropriated $63,802 to PACOG.

RELATED ORGANIZATION

PUEBLO HOUSING AUTHORITY

The governing body of the Pueblo Housing Authority is composed of five members, all of whom are appointed by City Council. The City's accountability for the Housing Authority does not extend beyond making these appointments.

D. COMMITMENTS AND CONTINGENCIES

LEASING ARRANGEMENTS

The City previously entered into an operating lease agreement for energy-saving equipment and other items. The estimated total cost of the equipment and miscellaneous items totaled $1,528,955 and the following table presents a schedule of minimum lease payments due that are subject to annual appropriation by City Council:

Year Ending December 31,	
2018	$ 116,000
2019	120,000
2020	123,500
2021	123,500
2022	131,600
2023-2026	571,603
	$1,186,203

During 2015, the City modified an existing operating lease to acquire equipment and professional services for certain public safety activities totaling approximately $974,426. The following table presents a schedule of minimum lease and other payments due that are subject to annual appropriation by City Council:

Year Ending December 31,	
2018	$ 193,548
2019	193,548
	$ 387,096

OTHER COMMITMENTS

As part of an agreement with the Young Men's Christian Association (YMCA), the City committed to contribute to the YMCA a total of $2,000,000 payable in equal installments of $200,000 per year for 10 years beginning in 2008. This contribution was made to the YMCA as part of their capital campaign and the yearly payment is subject to annual appropriation by City Council. The City's 2017 installment was reduced to $50,000 but no modification to the original commitment has been authorized by City Council.

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	$ 25,141
Economic development ½ cent tax fund	372,505
HUD grants fund	27,626
Capital projects fund	796,809
Other governmental funds	813,121
	$ 2,035,202

ARBITRAGE LIABILITY

The City has not determined its arbitrage liability, if any; however, the City believes any resulting liability is not material to its financial position as reflected in the government-wide statement of net position or the proprietary funds' statement of net position, as applicable.

GRANTS AND OTHER

The City participates in a number of federal and state-assisted grant programs. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audit could become a liability of the City. In the opinion of management, however, any such disallowed claims would not have a material effect on the financial statements as of and for the year ended December 31, 2017.

LEGAL DEBT MARGIN

The amount of general obligation long-term debt that can be incurred by the City is limited by the charter. General obligation debt can't exceed 10% of assessed valuation. At December 31, 2017, the debt limit was $108,886,532 and the debt margin was $108,886,532.

TAX ABATEMENTS

The City of Pueblo offers individual business incentive packages to attract new businesses to the City, to grow the local economy and to provide quality job opportunities for City residents. Incentive agreements are entirely discretionary and are considered on a case-by-case basis by the City Council. A written agreement is required, and no agreement is final without formal action by City Council.

All incentive agreements are subject to annual appropriations by City Council as required in the Colorado Constitution and the City Charter. Some of the agreements have provisions for recapturing the incentives awarded if specific performance measures are not maintained. As of December 31, 2017, the City has two

active incentive agreements in place. In 2017, the City's expenditures include $2,510,347 in tax abatements.

OTHER ITEMS

Tax Spending and Debt Limitations

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 City believes it is in compliance with the requirements of the amendment. The City has made certain interpretations of the amendment's language in order to determine its compliance.

Litigation

The City is a defendant in numerous lawsuits and claims arising in the normal course of operations. The City is vigorously defending all such claims and believes the outcome of any such negative claims and litigation will not have a material adverse effect on the financial position of the City.

Subsequent Events

Management of the City has evaluated subsequent events through July 31, 2018, the date that the financial statements were available to be issued. During February and April of 2018, the City executed long-term financing arrangements for the purchase of certain equipment totaling approximately $3.0 million. No additional transactions or events that would require adjustment to or disclosures in the financial statements were identified.

Required Supplementary Information

City of Pueblo, Colorado
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual Budget Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Taxes	$ 68,772,517	$ 68,772,517	$ 72,020,617	$ 3,248,100
Licenses and permits	582,000	582,000	832,065	250,065
Intergovernmental	1,890,843	2,201,843	2,699,499	497,656
Charges for services	3,951,968	3,951,968	4,320,404	368,436
Fines and forfeits	1,668,200	1,668,200	1,986,461	318,261
Other revenue	516,204	2,623,942	2,752,975	129,033
Transfers in	4,299,097	4,299,097	4,751,568	452,471
TOTAL REVENUES AND OTHER FINANCING SOURCES	81,680,829	84,099,567	89,363,589	5,264,022
EXPENDITURES AND OTHER FINANCING USES				
Current -				
General government	11,140,036	11,226,033	10,514,770	711,263
Public safety -				
Police	28,724,809	27,874,506	27,337,795	536,711
Fire	17,210,908	17,204,276	16,737,246	467,030
Public works	7,403,558	7,309,357	6,451,226	858,131
Parks and recreation	5,136,787	5,292,512	5,283,828	8,684
Nondepartmental	5,382,142	6,356,555	6,261,030	95,525
Transfers out	10,746,718	13,637,268	12,819,998	817,270
TOTAL EXPENDITURES AND OTHER FINANCING USES	85,744,958	88,900,507	85,405,893	3,494,614
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(4,064,129)	(4,800,940)	3,957,696	8,758,636
FUND BALANCE, January 1	4,064,129	4,800,940	20,628,219	15,827,279
FUND BALANCE, December 31	$ -	$ -	24,585,915	$ 24,585,915
Adjustment from budgetary basis to generally accepted accounting principles				
Accrued sales tax and franchise tax			6,090,507	
Unrealized loss on investments			14,502	
Change in the allowance for uncollectible accounts			(8,628)	
Advance to other fund			948,704	
Fund balance - generally accepted accounting principles			$ 31,631,000	

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
General Fund
Year Ended December 31, 2017

BUDGETARY BASIS		
Explanation of differences between budgetary revenues and other financing sources and GAAP revenues and other financing sources		
REVENUES AND OTHER FINANCING SOURCES	$	89,363,589
Actual amounts (budgetary basis) of revenues and other financing sources from the budgetary comparison schedule		
Differences - budget to GAAP		
Accrued sales tax and franchise tax, beginning of year		(6,806,510)
Accrued sales tax and franchise tax, end of year		6,090,507
Change in the allowance for uncollectible accounts		(8,628)
GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	$	88,638,958

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Budgetary Comparison Schedule
Economic Development 1/2 Cent Tax Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual Budget Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest earnings	$ 50,000	$ 50,000	$ 436,229	$ 386,229
Rents and other revenue	350,000	350,000	838,700	488,700
Sales and use taxes	8,029,811	8,029,811	8,378,822	349,011
Disposal of assets	-	-	3,419,162	3,419,162
TOTAL REVENUES AND OTHER FINANCING SOURCES	8,429,811	8,429,811	13,072,913	4,643,102
EXPENDITURES AND OTHER FINANCING USES				
Current -				
Professional services	350,000	350,000	364,764	(14,764)
Programs/projects	7,706,715	44,893,848	8,692,462	36,201,386
Capital outlay	-	-	305,538	(305,538)
Transfers out	373,096	373,096	373,097	(1)
TOTAL EXPENDITURES AND OTHER FINANCING USES	8,429,811	45,616,944	9,735,861	35,881,083
NET CHANGE IN FUND BALANCE	-	(37,187,133)	3,337,052	40,524,185
FUND BALANCE, January 1	-	37,187,133	50,924,291	13,737,158
FUND BALANCE, December 31	$ -	$ -	54,261,343	$ 54,261,343
Adjustment from budgetary basis to generally accepted accounting principles				
Notes and loans receivable, net			28,395,207	
Fund balance - generally accepted accounting principles			$ 82,656,550	

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
Economic Development 1/2 Cent Tax Fund
Year Ended December 31, 2017

BUDGETARY BASIS

Explanation of differences between budgetary revenues and other financing sources and GAAP revenues and other financing sources, together with budgetary expenditures and other financing uses and GAAP expenditures and other financing uses

REVENUES AND OTHER FINANCING SOURCES		
Actual amounts (budgetary basis) of revenues from the budgetary comparison schedule	$	13,072,913
Differences - budget to GAAP		
Loan payments received		(36,719)
Loan payments received		(3,216,662)
GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	$	9,819,532
EXPENDITURES AND OTHER FINANCING USES		
Actual amounts (budgetary basis) of expenditures and other financing uses from the budgetary comparison schedule	$	9,735,861
Differences - Budget to GAAP		
Loans made during the year		(7,326,881)
Change in the allowance for uncollectible loans		(70,857)
Expenses related to recovery		(48,305)
Credits awarded to loan recipients for meeting established employment targets		732,858
GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	$	3,022,676

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado

Budgetary Comparison Schedule

HUD Grants Fund

Year Ended December 31, 2017

	Budgeted Amounts		Actual Budget Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Intergovernmental	$ 1,887,785	$ 1,867,996	$ 2,022,750	$ 154,754
Loan payments	32,500	7,500	52,512	45,012
Other	15,000	279,303	233,144	(46,159)
Transfers in	119,588	117,810	-	(117,810)
TOTAL REVENUES AND OTHER FINANCING SOURCES	2,054,873	2,272,609	2,308,406	35,797
EXPENDITURES AND OTHER FINANCING USES				
Current -				
Programs/projects	2,149,452	5,798,352	1,354,804	4,443,548
Capital outlay	-	576,581	425,520	151,061
Transfers out	315,421	312,392	253,400	58,992
TOTAL EXPENDITURES AND OTHER FINANCING USES	2,464,873	6,687,325	2,033,724	4,653,601
NET CHANGE IN FUND BALANCE	(410,000)	(4,414,716)	274,682	4,689,398
FUND BALANCE, January 1	410,000	4,414,716	899,037	(3,515,679)
FUND BALANCE, December 31	$ -	$ -	1,173,719	$ 1,173,719
Adjustment from budgetary basis to generally accepted accounting principles				
Loans and other receivables			3,854,093	
Inventory of land held for resale			553,868	
Deferred inflow of resources related to grants			(192,406)	
Fund balance - generally accepted accounting principles			$ 5,389,274	

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
HUD Grants Fund
Year Ended December 31, 2017

BUDGETARY BASIS

Explanation of differences between budgetary revenues and other financing sources and GAAP revenues and other financing sources, together with budgetary expenditures and other financing uses and GAAP expenditures and other financing uses

REVENUES AND OTHER FINANCING SOURCES		
Actual amounts (budgetary basis) of revenues and other financing sources from the budgetary comparison schedule	$	2,308,406
Differences - budget to GAAP		
Loan payments and other revenue received		(52,512)
Deferred inflows of resources related to grants		39,772
GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	$	2,295,666
EXPENDITURES AND OTHER FINANCING USES		
Actual amounts (budgetary basis) of expenditures and other financing uses from the budgetary comparison schedule	$	2,033,724
Differences - budget to GAAP		
Inventory and other expenditures		(515,106)
GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	$	1,518,618

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Notes to Required Supplementary Information
Year Ended December 31, 2017

BUDGETARY INFORMATION

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

A proposed budget for the fiscal year commencing the following January 1 is submitted to City Council by the City Manager on or before October 15th. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by City Council to obtain taxpayer comments. The City adopted budgets for all funds except the Historic Arkansas River Project capital projects fund, the Police building capital projects fund, the Pueblo Transit internal service fund and the agency fund. All funds, including proprietary funds, use the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budgets. In addition, appropriations lapse at the end of the year and expenditures for on-going projects are appropriated in the following year.

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation ordinance. The City Manager may at any time transfer any unencumbered appropriated balance or portion thereof from one classification of expenditure to another within the same department, office or agency. The Council may, by resolution, transfer any unencumbered appropriated balance or portion thereof from one department, office or agency to another. City Council may amend the original adopted budget during the year by passing a new ordinance to reflect current needs. During 2017, the expenditure estimates were amended. These amendments were made in accordance with the City Charter.

The legal level of budgetary control exists at the department level for the general fund, while the legal level of budgetary control for all other funds is at the total fund level. That is to say, total expenditures for each department in the general fund or the total expenditures in all other funds cannot legally exceed appropriations for that department or 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 employed as an extension of the formal budgetary integration in all funds.

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Funding Progress
Fire Other Post Employment Benefit Plan
Year Ended December 31, 2017

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(a)÷(b) Funded Ratio	(b)-(a) Unfunded AAL (UAAL)	(c) Covered Payroll	(a)-(b)÷(c) UAAL as a Percentage of Covered Payroll
1/1/17	$ -	$ 6,231,607	0.00%	$ 6,231,607	$ 8,260,334	75.44%
1/1/16	$ -	$ 5,755,514	0.00%	$ 5,755,514	$ 9,041,480	63.66%
1/1/15	$ -	$ 6,601,592	0.00%	$ 6,601,592	$ 9,958,182	66.29%
1/1/14	$ -	$ 6,151,397	0.00%	$ 6,151,397	$ 9,668,138	63.63%
1/1/13	$ -	$ 3,208,999	0.00%	$ 3,208,999	$ 9,939,984	32.27%
1/1/12	$ -	$ 3,008,092	0.00%	$ 3,008,092	$ 9,650,470	31.17%
1/1/11	$ -	$ 2,214,369	0.00%	$ 2,214,369	$ 8,928,236	24.80%
1/1/10	$ -	$ 2,084,953	0.00%	$ 2,084,953	$ 8,491,751	24.55%
1/1/08	$ -	$ 2,489,537	0.00%	$ 2,489,537	$ 8,068,723	30.85%

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Funding Progress
Police Other Post Employment Benefit Plan
Year Ended December 31, 2017

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(a)÷(b) Funded Ratio	(b)-(a) Unfunded AAL (UAAL)	(c) Covered Payroll	(a)-(b)÷(c) UAAL as a Percentage of Covered Payroll
1/1/17	$ -	$ 8,610,940	0.00%	$ 8,610,940	$ 11,225,173	76.71%
1/1/16	$ -	$ 7,972,992	0.00%	$ 7,972,992	$ 11,910,563	66.94%
1/1/15	$ -	$ 9,137,219	0.00%	$ 9,137,219	$ 14,604,058	62.57%
1/1/14	$ -	$ 8,484,684	0.00%	$ 8,484,684	$ 14,178,697	59.84%
1/1/13	$ -	$ 3,923,597	0.00%	$ 3,923,597	$ 14,261,159	27.51%
1/1/12	$ -	$ 3,694,314	0.00%	$ 3,694,314	$ 13,845,785	26.68%
1/1/11	$ -	$ 2,660,509	0.00%	$ 2,660,509	$ 13,527,475	19.67%
1/1/10	$ -	$ 2,523,158	0.00%	$ 2,523,158	$ 14,072,581	17.93%
1/1/08	$ -	$ 3,222,952	0.00%	$ 3,222,952	$ 12,280,662	26.24%

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset)
Public Employees' Retirement Association
Local Government Division Trust Fund

	2016	2015	2014	2013
City's proportion of the net pension liability	3.203%	3.363%	3.489%	3.626%
City's proportionate share of the net pension liability	43,251,422	37,046,169	31,272,221	29,839,115
City's covered payroll	19,420,370	19,115,117	19,119,848	19,348,785
City's proportionate share of the net pension liability as a percentage of its covered payroll	222.712%	193.806%	163.559%	154.217%
Plan fiduciary net position as a percentage of the total pension liability	73.600%	76.900%	88.783%	91.876%

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of the City's Contributions
Public Employees' Retirement Association
Local Government Division Trust Fund
Year Ended December 31, 2017

	2017	2016	2015	2014	2013
Contractually required contribution	$ 2,618,354	$ 2,461,991	$ 2,421,672	$ 2,424,221	$ 2,452,914
Contributions in relation to the contractually required contribution	2,618,354	2,461,991	2,421,672	2,424,221	2,452,914
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 20,542,600	$ 19,420,370	$ 19,115,117	$ 19,119,848	$ 19,348,785
Contributions as a percentage of covered payroll	12.75%	12.68%	12.67%	12.68%	12.68%

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset)
Fire and Police Pension Association
New Hire Fire and Police Pension Fund
Year Ended December 31, 2017

	2016	2015	2014	2013
City's proportion of the net pension liability (asset)	3.989%	4.161%	4.395%	4.524%
City's proportionate share of the net pension liability (asset)	1,441,379	(73,352)	(4,960,089)	(4,045,301)
City's covered payroll	20,416,199	20,150,739	19,763,175	19,650,362
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	7.060%	(0.364%)	(25.098%)	(20.586%)
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 show information for ten years. Additional years' information will be displayed as it becomes available

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of the City's Contributions
Fire and Police Pension Association
New Hire Fire and Police Pension Fund
Year Ended December 31, 2017

	2017	2016	2015	2014	2013
Contractually required contribution	$ 1,718,110	$ 1,633,306	$ 1,613,793	$ 1,581,054	$ 1,572,029
Contributions in relation to the contractually required contribution	1,718,110	1,633,306	1,613,793	1,581,054	1,572,029
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 21,476,338	$ 20,416,199	$ 20,150,739	$ 19,763,175	$ 19,650,362
Contributions as a percentage of covered payroll	8.00%	8.00%	8.01%	8.00%	8.00%

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Pueblo Old Hire Police Pension Fund
Year Ended December 31, 2017

Measurement Period Ended December 31,	2016	2015	2014
Total pension liability -			
Service cost	$ -	$ -	$ -
Interest	4,699,710	4,564,633	4,647,773
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	(1,429,499)	-
Changes in assumptions	-	4,313,589	-
Benefit payments, including refunds of employee contributions	(5,571,276)	(5,721,421)	(5,789,929)
Net change in total pension liability	(871,566)	1,727,302	(1,142,156)
Total pension liability - beginning	65,398,075	63,670,773	64,812,929
Total pension liability - ending (a)	$ 64,526,509	$ 65,398,075	$ 63,670,773
Plan fiduciary net position -			
Contributions - employer	$ 1,226,430	$ 1,272,351	$ 1,710,695
Contributions - employee	-	-	2,821
Net investment income	2,495,649	955,007	3,522,694
Benefit payments, including refunds of employee contributions	(5,571,276)	(5,721,421)	(5,789,929)
Administrative expense	(78,233)	(73,229)	(89,300)
Net change in plan fiduciary net position	(1,927,430)	(3,567,292)	(643,019)
Plan fiduciary net position - beginning	49,248,713	52,816,005	53,459,024
Plan fiduciary net position - ending (b)	$ 47,321,283	$ 49,248,713	$ 52,816,005
City's net pension liability - ending (a) - (b)	$ 17,205,226	$ 16,149,362	$ 10,854,768
Plan fiduciary net position as a percentage of the total pension liability	73.34%	75.31%	82.95%
Covered payroll	N/A	N/A	$ 99,053
City of Pueblo's net pension liability as a percentage of covered payroll	N/A	N/A	10,958.55%

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of the City's Contributions
Pueblo Old Hire Police Pension Fund
Year Ended December 31, 2017

	2017	2016	2015	2014
Actuarially determined contribution	$ 1,542,672	$ 1,226,430	$ 1,226,430	$ 1,718,438
Contributions in relation to the actuarially required contribution	1,542,672	1,226,430	1,272,351	1,710,695
Contribution deficiency (excess) (1)	$ -	$ -	$ (45,921)	$ 7,743
City's covered payroll	N/A	N/A	N/A	$ 99,053
Contributions as a percentage of covered payroll	N/A	N/A	N/A	1,727.05%

(1) The contribution deficiency (excess) is the result of accrual differences between years.

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Pueblo Old Hire Fire Pension Fund
Year Ended December 31, 2017

Measurement Period Ended December 31,	2016	2015	2014
Total pension liability -			
Service cost	$ -	$ -	$ -
Interest	3,498,913	3,434,587	3,512,883
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	(1,302,712)	-
Changes in assumptions	-	3,235,013	-
Benefit payments, including refunds of employee contributions	(4,464,644)	(4,552,205)	(4,561,272)
Net change in total pension liability	(965,731)	814,683	(1,048,389)
Total pension liability - beginning	48,844,137	48,029,454	49,077,843
Total pension liability - ending (a)	$ 47,878,406	$ 48,844,137	$ 48,029,454
Plan fiduciary net position -			
Contributions - employer	$ 1,324,595	$ 1,299,942	$ 1,028,768
Contributions - employee	-	-	2,092
Net investment income	1,755,976	674,555	2,511,258
Benefit payments, including refunds of employee contributions	(4,464,644)	(4,552,205)	(4,561,272)
Administrative expense	(57,923)	(55,541)	(66,952)
Net change in plan fiduciary net position	(1,441,996)	(2,633,249)	(1,086,106)
Plan fiduciary net position - beginning	34,719,752	37,353,001	38,439,107
Plan fiduciary net position - ending (b)	$ 33,277,756	$ 34,719,752	$ 37,353,001
City's net pension liability - ending (a) - (b)	$ 14,600,650	$ 14,124,385	$ 10,676,453
Plan fiduciary net position as a percentage of the total pension liability	69.50%	71.08%	77.77%
Covered payroll	N/A	N/A	$ 78,448
City of Pueblo's net pension liability as a percentage of covered payroll	N/A	N/A	13,609.59%

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of the City's Contributions
Pueblo Old Hire Fire Pension Fund
Year Ended December 31, 2017

	2017	2016	2015	2014
Actuarially determined contribution	$ 1,545,814	$ 1,324,595	$ 1,299,942	$ 1,028,768
Contributions in relation to the actuarially required contribution	1,545,814	1,324,595	1,299,942	1,028,768
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	N/A	N/A	N/A	$ 78,448
Contributions as a percentage of covered payroll	N/A	N/A	N/A	1311.40%

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available
it becomes available

See accompanying Independent Auditor's Report.

Supplementary Information

City of Pueblo, Colorado
Explanation of Funds
December 31, 2017

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are restricted or committed to expenditure for particular purposes.

Intergovernmental – This fund is used to account for the collection and disbursement of revenues received from other governmental agencies to be used for specific purposes. Revenues received in this fund include: Highway User's Tax Fund (HUTF) monies which may only be used for the construction, improvement, or maintenance of the streets and roadways within the City; Conservation Trust Funds (CTF) are received from the Colorado state lottery and are restricted for parks and open space related projects; property seized from persons convicted of certain crimes is received from law enforcement agencies and must be used only for specific law enforcement purposes; proceeds from property seized in federal narcotic law enforcement activities pursuant to a federal revenue sharing agreement which are restricted to law enforcement purposes.

Special Charges – This fund is used to account for the collection and disbursement of revenues received from special fees and charges to be used for specific purposes. Revenues include: E-911 telephone charges assessed against telephone lines to be used to purchase and maintain enhanced 911 equipment and related activities; a special tipping fee assessed at the Southside landfill for the purpose of monitoring environmental conditions and future remediation, if necessary; a solid waste surcharge on tipping fees at all solid waste disposal sites to be used for solid waste management purposes; and a sales tax collection fee which is restricted to the debt service of the Memorial Hall series 2011A and series 2011B bonds issued by Pueblo Urban Renewal Authority (PURA) in 2011, along with the operations and debt service of the convention center operated by PURA.

Stimulus Grants – This fund is used to account for the collection of specific federal revenues received for particular low- and moderate-income housing projects.

Southpointe Special District – This fund is used to account for the collection of revenues from a mill levy on property within the district. The revenues are restricted for the maintenance of certain public improvements of general benefit to the residents of the district and may include open space, trails, paths, landscaping, fencing, pillars, street medians, entry islands, utility rights of way, irrigation facilities, water system improvements, a theme area, and signage.

Bandera Blvd. Special District – This fund is used to account for the collection of revenues from a mill levy on property within the district. The revenues are restricted for the maintenance of certain public improvements of general benefit to the residents of the district and may include open space, trails, paths, landscaping, fencing, pillars, street medians, entry islands, utility rights of way, irrigation facilities, water system improvements, a theme area, and signage.

North Gateway BID – This fund is used to account for the collection of new sales taxes generated by the commercial development within the business improvement district. The revenues are to be used for the construction of certain infrastructure within the district.

North Gateway PIF – This fund is used to account for collection of revenues generated from the imposition of a public improvement fee by the property owners on all sales that occur within the boundaries of North Gateway BID. Revenues collected from this fee are restricted for the construction of certain additional public improvements within the North Gateway BID.

Other Special Revenue – This fund is used to account for the collection and disbursement of miscellaneous special revenues which are restricted to expenditure for specific purposes. The fund includes revenues received from the Mountain View Cemetery Endowment to be used for the purpose of gravesite maintenance at the City-owned cemetery; miscellaneous contributions and donations to be expended in accordance with donor wishes; revenues and interest earnings on the Pueblo Beautiful Endowment to be used for the beautification of the City; and proceeds from the sale of lots located on the Historic Arkansas Riverwalk of Pueblo to be used solely for the commercial development of the Riverwalk.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned for capital outlays, including the acquisition and construction of capital facilities and other capital assets but excludes those types of capital-related outflows financed by proprietary funds.

Historic Arkansas River Project – This fund accounts for revenues and expenditures relating to the construction and development of the Historic Arkansas Riverwalk. The initial phases of this project were financed through the issuance of limited tax general obligation bonds, with later phases financed through private donations and various grants.

Police Building – This fund accounts for the construction and equipping of a new police building headquarters, along with other public safety facilities. The revenue for this fund originated in 2006 as a payment in lieu of taxes received from Xcel Energy as an economic development incentive. In 2008, Pueblo Municipal Building Corporation (PMBC) issued certificates of participation totaling $20,625,000 which were reported in this fund.

DEBT SERVICE FUND

The debt service fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for principal and interest on general obligation debt, certificates of participation and capital leases of governmental funds.

Proprietary Funds

NONMAJOR ENTERPRISE FUNDS

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation), of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Honor farm – This fund is used to account for the recreational activities that are conducted at the facility known as the "Honor farm". All activities necessary to provide such services are accounted for in this fund.

Transportation Services – This fund is used to account for the provision of public bus service to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

Parking Facilities – This fund is used to account for the operation of public parking facilities located throughout the City. All activities necessary to provide such services are accounted for in this fund.

Memorial Hall – This fund is used to account for the activities that are held at Memorial Hall. The facility is managed by a third party as part of an agreement with the City. All activities necessary to provide such services are accounted for in this fund except debt service because the bonds that were issued to improve and upgrade the facility were issued by Pueblo Urban Renewal Authority.

INTERNAL SERVICE FUND

The internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other entities on a cost reimbursement basis.

Internal Service Fund – This fund accounts for the costs of the City's self-insured workmen's compensation plan, together with the City's property and casualty risk management activities which is accounted for through the City's membership in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). This fund also is used to account for the repair of motor vehicles and other related costs of all vehicles owned by the City. The vehicles and equipment maintained are acquired by the various user departments which are responsible for the financing of replacement vehicles as necessary. The fund also accounts for costs of the City's telephone system with departments of the City being charged a proportionate share of the costs.

Pueblo Transit – This fund accounts for the provision of labor services to the City's transportation services enterprise fund in operating the public bus system. These services are provided by employees of a separate, not-for-profit corporation known as Pueblo Transit.

City of Pueblo, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Special Revenue Funds				
	Inter-governmental	Special Charges	Stimulus Grants	Southpointe Special District	Bandera Blvd. Special District
Assets					
Restricted cash and cash equivalents	$ 454,615	$ -	$ -	$ -	$ -
Investments	3,741,100	2,739,315	-	105,120	69,850
Restricted investments	-	-	-	-	-
Taxes receivable, net	-	-	-	21,281	23,366
Due from other funds	34,359	841,951	49,498	323	784
Receivable from other governments	910,628	-	-	-	-
Other receivables	10,335	430,370	-	444	375
Inventories	-	-	305,446	-	-
Total assets	$ 5,151,037	$ 4,011,636	$ 354,944	$ 127,168	$ 94,375
Liabilities					
Accounts payable	$ 144,519	$ 366,362	$ -	$ 957	$ 142
Due to other funds	20,867	-	-	-	-
Total liabilities	165,386	366,362	-	957	142
Deferred inflows of resources	804,679	-	-	21,281	23,366
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	4,180,972	3,645,274	354,944	104,930	70,867
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	4,180,972	3,645,274	354,944	104,930	70,867
Total liabilities, deferred inflows of resources and fund balances	$ 5,151,037	$ 4,011,636	$ 354,944	$ 127,168	$ 94,375

			Capital Projects Funds			
North Gateway BID	North Gateway PIF	Other Special Revenue	Historic Arkansas River Project	Police Building	Debt Service	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 454,615
-	-	878,337	-	-	-	7,533,722
-	-	-	-	-	-	-
-	-	-	-	-	-	44,647
21,234	22,352	104,641	169,544	-	-	1,244,686
-	-	-	-	-	-	910,628
33,752	39,834	2,328	-	-	-	517,438
-	-	-	-	-	-	305,446
$ 54,986	$ 62,186	$ 985,306	$ 169,544	$ -	$ -	$ 11,011,182
$ 53,369	$ 62,186	$ 2,802	$ -	$ -	$ -	$ 630,337
-	-	477,549	-	-	4,008	502,424
53,369	62,186	480,351	-	-	4,008	1,132,761
-	-	-	-	-	-	849,326
-	-	-	-	-	-	-
1,617	-	342,024	169,544	-	-	8,870,172
-	-	162,931	-	-	-	162,931
-	-	-	-	-	(4,008)	(4,008)
1,617	-	504,955	169,544	-	(4,008)	9,029,095
$ 54,986	$ 62,186	$ 985,306	$ 169,544	$ -	$ -	$ 11,011,182

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2017

	Special Revenue Funds				
	Inter-governmental	Special Charges	Stimulus Grants	Southpointe Special District	Bandera Blvd. Special District
Revenues					
Property taxes	$ -	$ -	$ -	$ 19,061	$ 22,608
Sales and miscellaneous taxes	-	2,001,559	-	1,873	2,219
Intergovernmental	5,715,305	-	-	-	-
Charges for services	-	1,245,002	-	-	-
Investment earnings	24,097	21,368	-	853	601
Miscellaneous	-	-	-	-	-
Total revenues	5,739,402	3,267,929	-	21,787	25,428
Expenditures					
Current					
Public safety	11,011	37,676	-	-	-
Public works	1,167,952	-	-	-	-
Parks and recreation	181,706	-	-	12,868	29,733
Culture and community welfare	-	2,001,558	(24,970)	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	448,291	-	-	-	-
Total expenditures	1,808,960	2,039,234	(24,970)	12,868	29,733
Excess (deficiency) of revenues over (under) expenditures	3,930,442	1,228,695	24,970	8,919	(4,305)
Other financing sources (uses)					
Transfers in	62,000	-	-	-	-
Transfers out	(3,280,732)	(1,132,950)	-	-	-
Total other financing sources (uses)	(3,218,732)	(1,132,950)	-	-	-
Change in fund balances	711,710	95,745	24,970	8,919	(4,305)
Fund balance at beginning of year	3,469,262	3,549,529	329,974	96,011	75,172
Fund balance at end of year	$ 4,180,972	$ 3,645,274	$ 354,944	$ 104,930	$ 70,867

			Capital Projects Funds			
North Gateway BID	North Gateway PIF	Other Special Revenue	Historic Arkansas River Project	Police Building	Debt Service	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 41,669
223,485	264,491	-	-	-	-	2,493,627
-	-	-	-	-	-	5,715,305
-	-	-	-	-	-	1,245,002
-	-	6,772	-	-	-	53,691
-	-	125,320	-	-	-	125,320
223,485	264,491	132,092	-	-	-	9,674,614
-	-	-	-	24,836	-	73,523
212,311	251,266	-	-	-	-	1,631,529
-	-	248,979	-	-	-	473,286
-	-	-	-	-	-	1,976,588
-	-	-	-	-	3,970,960	3,970,960
-	-	-	-	-	401,897	401,897
-	-	25,000	-	-	-	473,291
212,311	251,266	273,979	-	24,836	4,372,857	9,001,074
11,174	13,225	(141,887)	-	(24,836)	(4,372,857)	673,540
-	-	-	-	-	4,373,949	4,435,949
(11,174)	(13,225)	-	-	(398,283)	-	(4,836,364)
(11,174)	(13,225)	-	-	(398,283)	4,373,949	(400,415)
-	-	(141,887)	-	(423,119)	1,092	273,125
1,617	-	646,842	169,544	423,119	(5,100)	8,755,970
$ 1,617	$ -	$ 504,955	$ 169,544	$ -	$ (4,008)	$ 9,029,095

See accompanying Independent Auditor's Report.

Special Revenue Funds

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Intergovernmental Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual Budget Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	$ 5,391,044	$ 5,429,475	$ 5,719,085	$ 289,610
Interest earnings	15,000	15,000	24,097	9,097
Transfers in	62,000	62,000	62,000	-
TOTAL REVENUES	5,468,044	5,506,475	5,805,182	298,707
EXPENDITURES AND OTHER FINANCING USES				
Current -				
Programs/projects	2,343,514	5,083,942	1,808,960	3,274,982
Transfers out	3,124,530	3,260,530	3,280,732	(20,202)
TOTAL EXPENDITURES AND OTHER FINANCING USES	5,468,044	8,344,472	5,089,692	3,254,780
NET CHANGE IN FUND BALANCE	-	(2,837,997)	715,490	3,553,487
FUND BALANCE, January 1	-	2,837,997	3,469,262	631,265
FUND BALANCE, December 31	$ -	$ -	$ 4,184,752	$ 4,184,752

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Charges Fund
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services	$ 1,050,000	$ 1,245,002	$ 195,002
Vendor's fees	2,050,000	2,001,559	(48,441)
Interest earnings	4,000	21,368	17,368
TOTAL REVENUES	3,104,000	3,267,929	163,929
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	2,316,816	2,039,234	277,582
Transfers out	1,132,950	1,132,950	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	3,449,766	3,172,184	277,582
NET CHANGE IN FUND BALANCE	(345,766)	95,745	441,511
FUND BALANCE, January 1	345,766	3,549,529	3,203,763
FUND BALANCE, December 31	$ -	$ 3,645,274	$ 3,645,274

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Stimulus Grants
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Intergovernmental	$ -	$ -	$ -
Other	-	-	-
TOTAL REVENUES	-	-	-
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	1,293	(24,970)	26,263
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,293	(24,970)	26,263
NET CHANGE IN FUND BALANCE	(1,293)	24,970	26,263
FUND BALANCE, January 1	1,293	47,834	46,541
FUND BALANCE, December 31	$ -	$ 72,804	$ 72,804
Adjustment from budgetary basis to generally accepted accounting principles			
Inventory		305,445	
Deferred inflows of resources related to grants		(23,305)	
Fund balance - generally accepted accounting principles		$ 354,944	

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
SouthPointe Special District
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Property and other taxes	$ 19,000	$ 20,934	$ 1,934
Interest earnings	-	853	853
TOTAL REVENUES	19,000	21,787	2,787
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	30,300	12,868	17,432
TOTAL EXPENDITURES AND OTHER FINANCING USES	30,300	12,868	17,432
NET CHANGE IN FUND BALANCE	(11,300)	8,919	20,219
FUND BALANCE, January 1	11,300	96,011	84,711
FUND BALANCE, December 31	$ -	$ 104,930	$ 104,930

See accompanying independent auditor's report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Bandera Blvd. Special District
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Property and other taxes	$ 22,506	$ 24,827	$ 2,321
Interest earnings	-	601	601
TOTAL REVENUES	22,506	25,428	2,922
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	94,406	29,733	64,673
TOTAL EXPENDITURES AND OTHER FINANCING USES	94,406	29,733	64,673
NET CHANGE IN FUND BALANCE	(71,900)	(4,305)	67,595
FUND BALANCE, January 1	70,869	75,172	4,303
FUND BALANCE, December 31	$ (1,031)	$ 70,867	$ 71,898

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
North Gateway BID
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Sales and use taxes	$ 260,000	$ 223,485	$ (36,515)
TOTAL REVENUES	260,000	223,485	(36,515)
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	247,000	212,311	34,689
Transfers out	13,000	11,174	1,826
TOTAL EXPENDITURES AND OTHER FINANCING USES	260,000	223,485	36,515
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, January 1	-	1,617	1,617
FUND BALANCE, December 31	$ -	$ 1,617	$ 1,617

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
North Gateway PIF
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Sales and use taxes	$ 270,000	$ 264,491	$ (5,509)
TOTAL REVENUES	270,000	264,491	(5,509)
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	256,500	251,266	5,234
Transfers out	13,500	13,225	275
TOTAL EXPENDITURES AND OTHER FINANCING USES	270,000	264,491	5,509
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, January 1	-	-	-
FUND BALANCE, December 31	$ -	$ -	$ -

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Other Special Revenue Fund
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Contributions/donations	$ 104,500	$ 125,320	$ 20,820
Interest earnings	500	6,772	6,272
TOTAL REVENUES	105,000	132,092	27,092
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	276,000	248,979	27,021
Capital outlay	-	25,000	(25,000)
TOTAL EXPENDITURES AND OTHER FINANCING USES	276,000	273,979	2,021
NET CHANGE IN FUND BALANCE	(171,000)	(141,887)	29,113
FUND BALANCE, January 1	171,000	646,842	475,842
FUND BALANCE, December 31	$ -	$ 504,955	$ 504,955

See accompanying Independent Auditor's Report.

Capital Projects Fund

City of Pueblo, Colorado
Budgetary Comparison Schedule
Public Improvements Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual Budget Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Intergovernmental	$ 648,094	$ 2,723,876	$ 3,885,546	$ 1,161,670
Proceeds from capital lease	-	-	1,400	1,400
Interest earnings	-	633	375	(258)
Other	-	2,758,054	539,156	(2,218,898)
Transfer in	1,057,930	3,904,263	3,738,770	(165,493)
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,706,024	9,386,826	8,165,247	(1,221,579)
EXPENDITURES AND OTHER FINANCING USES				
Current -				
Programs/projects	1,706,024	18,468,117	2,066,039	16,402,078
Capital outlay	-	6,435,561	13,282,031	(6,846,470)
Transfers out	-	-	10,000	(10,000)
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,706,024	24,903,678	15,358,070	9,545,608
NET CHANGE IN FUND BALANCE	-	(15,516,852)	(7,192,823)	8,324,029
FUND BALANCE, January 1	-	15,516,852	7,022,594	(8,494,258)
FUND BALANCE, December 31	$ -	$ -	$ (170,229)	$ (170,229)
Adjustment from budgetary basis to generally accepted accounting principles				
Deferred inflows of resources related to grants			3,597,528	
Fund balance - generally accepted accounting principles			$ 3,427,299	

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Police Building Fund
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Interest earnings	$ -	$ -	$ -
TOTAL REVENUES	-	-	-
EXPENDITURES AND OTHER FINANCING USES			
Other charges	24,836	24,836	-
Transfers out	398,283	398,283	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	423,119	423,119	-
NET CHANGE IN FUND BALANCE	(423,119)	(423,119)	-
FUND BALANCE, January 1	423,119	423,119	-
FUND BALANCE, December 31	$ -	$ -	$ -

See accompanying Independent Auditor's Report.

Debt Service Fund

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Debt Service Fund
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Transfers in	$ 4,583,853	$ 4,373,949	$ (209,904)
TOTAL REVENUES	4,583,853	4,373,949	(209,904)
EXPENDITURES AND OTHER FINANCING USES			
Debt service -			
Principal	3,512,744	3,970,960	(458,216)
Interest and fiscal charges	1,071,109	401,897	669,212
TOTAL EXPENDITURES AND OTHER FINANCING USES	4,583,853	4,372,857	210,996
NET CHANGE IN FUND BALANCE	-	1,092	1,092
FUND BALANCE, January 1	-	(5,100)	(5,100)
FUND BALANCE, December 31	$ -	$ (4,008)	$ (4,008)

See accompanying Independent Auditor's Report.

Enterprise Funds

City of Pueblo, Colorado
Combining Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2017

	Business-type Activities - Enterprise Funds				
	Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	Total
Assets					
Current assets					
Cash and cash equivalents	$ -	$ 800	$ -	$ 177,538	$ 178,338
Accounts receivable, net	-	11,611	16,030	25,001	52,642
Due from other funds	-	137,003	882,524	-	1,019,527
Due from other governments	-	2,229,176	-	-	2,229,176
Prepaid expenses	-	-	-	12,160	12,160
Inventories	-	278,058	-	-	278,058
Total current assets	-	2,656,648	898,554	214,699	3,769,901
Noncurrent assets					
Capital assets					
Land	1,364,618	633,837	1,454,630	-	3,453,085
Land improvements	915,486	25,628	1,300,257	-	2,241,371
Other improvements	-	210,017	-	-	210,017
Buildings	357,047	3,061,787	3,189,960	11,360,862	17,969,656
Machinery and equipment	181,848	6,972,140	105,811	-	7,259,799
Less accumulated depreciation	(415,917)	(8,315,928)	(1,646,387)	(1,105,881)	(11,484,113)
Construction in progress	-	30,172	-	-	30,172
Intangibles	-	1,478	-	-	1,478
Artworks	-	8,823	-	-	8,823
Total capital assets	2,403,082	2,627,954	4,404,271	10,254,981	19,690,288
Total noncurrent assets	2,403,082	2,627,954	4,404,271	10,254,981	19,690,288
Total assets	2,403,082	5,284,602	5,302,825	10,469,680	23,460,189
Deferred outflows of resources					
Pension-related	-	91,262	39,819	-	131,081
Liabilities					
Current liabilities					
Accounts payable	47,996	198,457	14,544	118,587	379,584
Accrued expenses	-	79,388	-	-	79,388
Accrued interest payable	-	-	-	-	-
Due to other funds	1,018,367	2,732,658	-	826,267	4,577,292
Advances from others	-	-	-	185,746	185,746
Compensated absences	-	21,376	-	-	21,376
Capital lease obligation	-	-	-	-	-
Total current liabilities	1,066,363	3,031,879	14,544	1,130,600	5,243,386
Noncurrent liabilities					
Compensated absences	-	192,381	-	-	192,381
Advance from other funds	747,000	-	-	-	747,000
Net pension liability	-	302,141	147,381	-	449,522
Total noncurrent liabilities	747,000	494,522	147,381	-	1,388,903
Total liabilities	1,813,363	3,526,401	161,925	1,130,600	6,632,289
Deferred inflows of resources					
Pension-related	-	(36,750)	3,434	-	(33,316)
Net position					
Net investment in capital assets	2,403,082	2,627,954	4,404,271	10,254,981	19,690,288
Unrestricted	(1,813,363)	(741,741)	773,014	(915,901)	(2,697,991)
Total net position	$ 589,719	$ 1,886,213	$ 5,177,285	$ 9,339,080	$ 16,992,297

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				
	Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	Total
Operating revenues					
Charges for services	$ 20,656	$ 717,912	$ 268,979	$ 1,043,984	$ 2,051,531
Miscellaneous	-	126,783	-	-	126,783
Total operating revenues	20,656	844,695	268,979	1,043,984	2,178,314
Operating expenses					
Personnel services	-	-	101,228	-	101,228
Contractual services	5,711	3,939,576	123,690	1,123,450	5,192,427
Utilities	10,451	335,259	35,818	163,834	545,362
Repairs and maintenance	40,059	353,035	13,082	32,839	439,015
Other supplies and expenses	4,732	201,412	443,342	208,009	857,495
Depreciation	58,753	209,320	87,040	223,641	578,754
Total operating expenses	119,706	5,038,602	804,200	1,751,773	7,714,281
Operating loss	(99,050)	(4,193,907)	(535,221)	(707,789)	(5,535,967)
Nonoperating revenues (expenses)					
Operating grants and contributions	-	2,189,747	-	-	2,189,747
Total nonoperating revenues (expenses)	-	2,189,747	-	-	2,189,747
Loss before contributions	(99,050)	(2,004,160)	(535,221)	(707,789)	(3,346,220)
Capital contributions	-	-	-	-	-
Transfers in	89,230	1,719,197	493,354	486,586	2,788,367
Changes in net position	(9,820)	(284,963)	(41,867)	(221,203)	(557,853)
Net position at beginning of year	599,539	2,171,176	5,219,152	9,560,283	17,550,150
Net position at end of year	$ 589,719	$ 1,886,213	$ 5,177,285	$ 9,339,080	$ 16,992,297

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year-Ended December 31, 2017

	Business-type Activities - Enterprise Funds				
	Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	Total
Cash flows from operating activities					
Cash received from customers	$ 20,656	$ 952,828	$ 270,575	$ 1,066,953	$ 2,311,012
Cash payments to suppliers	(55,328)	(4,705,827)	(717,433)	(1,475,623)	(6,954,211)
Cash payments to employees	-	-	(84,546)	-	(84,546)
Receipts for interfund services	-	(56,573)	-	(73,285)	(129,858)
Payments for interfund services	(18,593)	-	38,050	-	19,457
Net cash flows from operating activities	(53,265)	(3,809,572)	(493,354)	(481,955)	(4,838,146)
Cash flows from non-capital financing activities					
Transfers in	89,230	1,719,197	493,354	486,586	2,788,367
Receipts from fund advance	-	(28,252)	-	56,141	27,889
Operating grants received	-	2,189,747	-	-	2,189,747
Net cash flows from non-capital financing activities	89,230	3,880,692	493,354	542,727	5,006,003
Cash flows from capital and related financing activities					
Acquisitions of capital assets	-	(71,120)	-	-	(71,120)
Principal paid on long-term debt	(35,370)	-	-	-	(35,370)
Interest paid on long-term debt	(595)	-	-	-	(595)
Net cash flows from capital and related financing activities	(35,965)	(71,120)	-	-	(107,085)
Net increase (decrease) in cash and cash equivalents	-	-	-	60,772	60,772
Cash and cash equivalents at beginning of year	-	800	-	116,766	117,566
Cash and cash equivalents at end of year	$ -	$ 800	$ -	$ 177,538	$ 178,338
Reconciliation of operating loss to net cash flows from operating activities					
Operating loss	$ (99,050)	$ (4,193,907)	$ (535,221)	$ (707,789)	$ (5,535,967)
Adjustments to reconcile operating loss to net cash flows from operating activities:					
Depreciation	58,753	209,320	87,040	223,641	578,754
(Increase) decrease in operating assets:					
Accounts receivable	-	108,133	1,596	22,969	132,698
Due from other funds	-	-	38,050	-	38,050
Prepaid items	-	1,906	-	49,198	51,104
Inventories		(59,682)		4,743	(54,939)
Increase (decrease) in operating liabilities:					
Accounts payable and accrued expenses	5,625	7,102	(101,501)	(1,432)	(90,206)
Due to other funds	(18,593)	(56,573)	-	(73,285)	(148,451)
Net pension liabilitiy and related deferred inflows and outflows of resources	-	174,129	16,682	-	190,811
Net cash flows from operating activities	$ (53,265)	$ (3,809,572)	$ (493,354)	$ (481,955)	(4,838,146)

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Memorial Hall Fund

Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	$ 1,047,309	$ 1,043,984	$ (3,325)
Transfers in	486,586	486,586	-
TOTAL REVENUES	1,533,895	1,530,570	(3,325)
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Contractual services	1,533,895	1,123,450	410,445
Utilities	-	163,834	(163,834)
Repairs and maintenance	-	32,839	(32,839)
Other supplies and expenses	-	208,009	(208,009)
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,533,895	1,528,132	5,763
NET CHANGE IN FUND BALANCE	$ -	$ 2,438	$ 2,438

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Golf Course Enterprise
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and miscellaneous	$ 2,273,140	$ 2,178,770	$ (94,370)
Proceeds from debt	408,557	-	(408,557)
TOTAL REVENUES	2,681,697	2,178,770	(502,927)
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	73,732	77,078	(3,346)
Contractual services	876,183	887,714	(11,531)
Utilities	432,895	420,769	12,126
Repairs and maintenance	162,092	152,386	9,706
Other supplies and expenses	476,366	209,958	266,408
Capital outlay	297,285	425,869	(128,584)
Debt Service -			
Principal	333,817	331,575	2,242
Interest and fees	61,126	66,785	(5,659)
TOTAL EXPENDITURES AND OTHER FINANCING USES	2,713,496	2,572,134	141,362
NET CHANGE IN FUND BALANCE	$ (31,799)	$ (393,364)	$ (361,565)

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Sewer User
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	$ 19,232,473	$ 20,624,341	$ 1,391,868
Miscellaneous revenue	-	515,991	515,991
Interest	169,171	240,816	71,645
TOTAL REVENUES	19,401,644	21,381,148	1,979,504
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	4,771,246	4,251,639	519,607
Contractual services	1,854,549	1,577,791	276,758
Utilities	1,023,820	758,004	265,816
Repairs and maintenance	23,110,131	4,129,085	18,981,046
Other supplies and expenses	1,270,357	986,189	284,168
Capital outlay	5,755,000	1,713,109	4,041,891
Debt Service -			
Principal	1,740,826	1,740,826	-
Interest and fees	721,181	721,181	-
Transfers out	50,000	50,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	40,297,110	15,927,824	24,369,286
NET CHANGE IN FUND BALANCE	$ (20,895,466)	$ 5,453,324	$ 26,348,790

See accompanying independent auditor's report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Stormwater Utility
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	$ 3,781,690	$ 5,198,097	$ 1,416,407
Interest	-	21,813	21,813
Transfers in	140,550	140,550	-
TOTAL REVENUES	3,922,240	5,360,460	1,438,220
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	1,584,534	1,417,196	167,338
Contractual services	814,904	708,639	106,265
Utilities	98,000	55,880	42,120
Repairs and maintenance	88,500	70,986	17,514
Other supplies and expenses	2,601,709	1,459,897	1,141,812
Capital outlay	438,615	545,690	(107,075)
Debt Service -			-
Principal	43,410	43,410	-
Interest and fees	2,140	2,140	-
Transfers out	102,811	102,811	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	5,774,623	4,406,649	1,367,974
NET CHANGE IN FUND BALANCE	$ (1,852,383)	$ 953,811	$ 2,806,194

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Memorial Airport Fund
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	$ 491,662	$ 524,691	$ 33,029
Intergovernmental	4,027,451	604,262	(3,423,189)
Interest and other	-	73,895	73,895
Transfers in	1,459,826	1,459,826	-
TOTAL REVENUES	5,978,939	2,662,674	(3,316,265)
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	1,019,780	924,338	95,442
Contractual services	239,912	240,132	(220)
Utilities	358,951	371,496	(12,545)
Repairs and maintenance	76,957	83,091	(6,134)
Other supplies and expenses	253,843	228,220	25,623
Capital outlay	4,138,856	620,668	3,518,188
TOTAL EXPENDITURES AND OTHER FINANCING USES	6,088,299	2,467,945	3,620,354
NET CHANGE IN FUND BALANCE	$ (109,360)	$ 194,729	$ 304,089

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Honor Farm Fund
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	$ 17,100	$ 20,656	$ 3,556
Transfers in	89,230	89,230	-
TOTAL REVENUES	106,330	109,886	3,556
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Contractual services	6,211	5,711	500
Utilities	10,004	10,451	(447)
Repairs and maintenance	54,096	40,059	14,037
Other supplies and expenses	36,019	40,697	(4,678)
TOTAL EXPENDITURES AND OTHER FINANCING USES	106,330	96,918	9,412
NET CHANGE IN FUND BALANCE	$ -	$ 12,968	$ 12,968

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Transportation Services Fund
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	$ 895,000	$ 848,052	$ (46,948)
Intergovernmental	2,726,544	2,189,747	(536,797)
Interest and other	3,000	1,517	(1,483)
Transfers in	2,194,933	1,719,197	(475,736)
TOTAL REVENUES	5,819,477	4,758,513	(1,060,964)
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	2,806,383	2,574,981	231,402
Contractual services	1,221,538	1,211,198	10,340
Utilities	402,649	335,259	67,390
Repairs and maintenance	393,070	353,035	40,035
Other supplies and expenses	186,741	201,414	(14,673)
Capital outlay	1,113,397	71,120	1,042,277
TOTAL EXPENDITURES AND OTHER FINANCING USES	6,123,778	4,747,007	1,376,771
NET CHANGE IN FUND BALANCE	$ (304,301)	$ 11,506	$ 315,807

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Parking Facilities Fund
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	$ 260,000	$ 274,079	$ 14,079
Transfers in	493,354	493,354	-
TOTAL REVENUES	753,354	767,433	14,079
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	102,356	84,546	17,810
Contractual services	146,276	127,893	18,383
Utilities	54,195	35,818	18,377
Repairs and maintenance	20,907	13,082	7,825
Other supplies and expenses	609,620	439,139	170,481
TOTAL EXPENDITURES AND OTHER FINANCING USES	933,354	700,478	232,876
NET CHANGE IN FUND BALANCE	$ (180,000)	$ 66,955	$ 246,955

See accompanying Independent Auditor's Report.

Internal Service Funds

City of Pueblo, Colorado
Combining Statement of Net Position
Internal Service Funds
December 31, 2017

	Total Internal Service Funds	Pueblo Transit	Total
Assets			
Current Assets			
Cash and cash equivalents	$ 300	$ -	$ 300
Restricted cash and cash equivalents	100,000	-	100,000
Accounts receivable, net	18,919	-	18,919
Due from other funds	4,719,285	-	4,719,285
Inventories	223,861	-	223,861
Prepaid items	452,556	-	452,556
Total current assets	5,514,921	-	5,514,921
Noncurrent Assets			
Capital Assets			
Buildings	1,036,366	-	1,036,366
Machinery and equipment	1,963,011	-	1,963,011
Less accumulated depreciation	(1,971,537)	-	(1,971,537)
Total noncurrent assets	1,027,840	-	1,027,840
Total assets	6,542,761	-	6,542,761
Deferred outflows of resources			
Pension-related	275,681	890,257	1,165,938
Liabilities			
Current liabilities			
Accounts payable	170,821	-	170,821
Compensated absences	9,773	-	9,773
Capital lease obligation	89,081	-	89,081
Claims and judgments	636,307	-	636,307
Total current liabilities	905,982	-	905,982
Noncurrent liabilities			
Compensated absences	87,955	-	87,955
Capital lease obligation	277,089	-	277,089
Claims and judgments	112,289	-	112,289
Net pension liability	1,020,368	3,295,083	4,315,451
Total noncurrent liabilities	1,497,701	3,295,083	4,792,784
Total liabilities	2,403,683	3,295,083	5,698,766
Deferred inflows of resources			
Pension-related	23,778	76,786	100,564
Net position			
Net investment in capital assets	661,670	-	661,670
Unrestricted	3,729,311	(2,481,612)	1,247,699
Total net position	$ 4,390,981	$ (2,481,612)	$ 1,909,369

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2017

	Total Internal Service Funds	Pueblo Transit	Total
Operating revenues			
Charges for services	$ 4,058,898	$ 2,728,378	$ 6,787,276
Other operating revenues	363,623	-	363,623
Total operating revenues	4,422,521	2,728,378	7,150,899
Operating expenses			
Personnel services	852,367	2,902,507	3,754,874
Contractual services	35,692	-	35,692
Utilities	56,425	-	56,425
Repairs and maintenance	27,015	-	27,015
Other supplies and expenses	1,373,679	-	1,373,679
Insurance claims expenses	1,866,521	-	1,866,521
Depreciation	94,543	-	94,543
Total operating expenses	4,306,242	2,902,507	7,208,749
Operating income (loss)	116,279	(174,129)	(57,850)
Nonoperating expense			
Interest expense	(14,366)	-	(14,366)
Net income (loss) before contributions and transfers	101,913	(174,129)	(72,216)
Transfers in	1,232,000	-	1,232,000
Change in net position	1,333,913	(174,129)	1,159,784
Net position at beginning of year	3,057,068	(2,307,483)	749,585
Net position at end of year	$ 4,390,981	$ (2,481,612)	$ 1,909,369

See accompanying Independent Auditor's Report.

City of Pueblo
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2017

	Internal Service Fund	Pueblo Transit	Total
Cash flows from operating activities			
Cash received from customers	$ 4,427,340	$ 2,728,378	$ 7,155,718
Cash payments to suppliers	(4,283,046)	-	(4,283,046)
Cash payments to employees	(781,450)	(2,728,378)	(3,509,828)
Payments for interfund services	(471,790)	-	(471,790)
Net cash flows from operating activities	(1,108,946)	-	(1,108,946)
Cash flows from non-capital financing activities			
Transfers in	1,232,000	-	1,232,000
Net cash flows from non-capital financing activities	1,232,000	-	1,232,000
Cash flows from capital and related financing activities			
Acquisitions of capital assets	-	-	-
Capital contributions received	-	-	-
Proceeds from issuance of debt	-	-	-
Principal paid on long-term debt	(87,489)	-	(87,489)
Interest paid on long-term debt	(14,366)	-	(14,366)
Net cash flows from capital and related financing activities	(101,855)	-	(101,855)
Cash flows from investing activities			
Interest earnings received	-	-	-
Acquisition of investments	-	-	-
Net cash flows from investing activities	-	-	-
Net increase (decrease) in cash and cash equivalents	21,199	-	21,199
Cash and cash equivalents at beginning of year	79,101	-	79,101
Cash and cash equivalents at end of year	100,300	-	100,300
Reported in the accompanying statement of net position as follows:			
Cash and cash equivalents	$ 300	$ -	$ 300
Restricted cash and cash equivalents	100,000	-	100,000
	$ 100,300	$ -	$ 100,300
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	$ 116,279	$ (174,129)	$ (57,850)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	94,543	-	94,543
(Increase) decrease in operating assets:			
Accounts receivable	4,819	-	4,819
Due from other funds	(471,790)	-	(471,790)
Prepaid items	10,238	-	10,238
Inventories	(8,794)	-	(8,794)
Increase (decrease) in operating liabilities:			
Accounts payable and accrued expenses	(929,841)	-	(929,841)
Net pension liabilitiy and related deferred inflows and outflows of resources	75,600	174,129	249,729
Net cash flows from operating activities	$ (1,108,946)	$ -	$ (1,108,946)

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Internal Service Fund
Year Ended December 31, 2017

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	$ 4,812,046	$ 4,422,521	$ (389,525)
Transfers in	1,232,000	1,232,000	-
TOTAL REVENUES	6,044,046	5,654,521	(389,525)
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	800,718	781,450	19,268
Contractual services	44,000	35,692	8,308
Utilities	81,800	56,425	25,375
Repairs and maintenance	62,375	27,015	35,360
Other supplies and expenses	1,914,182	1,373,485	540,697
Insurance claims expense	3,042,000	2,877,489	164,511
Capital outlay	3,225	-	3,225
Debt Service -			
Principal	87,489	87,489	-
Interest and fees	8,257	8,257	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	6,044,046	5,247,302	796,744
NET CHANGE IN FUND BALANCE	$ -	$ 407,219	$ 407,219

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Agency Fund
Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended December 31, 2017

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
Assets				
Cash and cash equivalents	$ 269,655	$ 24,281	$ -	$ 293,936
Accounts receivable	1,855,904	367,548	146,724	2,076,728
Total assets	$ 2,125,559	$ 391,829	$ 146,724	$ 2,370,664
Liabilities				
Accounts payable	$ 1,000	$ 646,718	$ 644,471	$ 3,247
Deposits	2,124,559	633,550	390,692	2,367,417
Total liabilities	$ 2,125,559	$ 1,280,268	$ 1,035,163	$ 2,370,664

See accompanying Independent Auditor's Report.

City of Pueblo
Pueblo Memorial Airport
Schedule of Passenger Facility Charge Collected and Expended
For the Year Ended December 31, 2017

	Unliquidated Passenger Facility Charge Revenue Account December 31, 2016	Passenger Facility Charge Collections	Interest Earned	Current Year Expenditures	Unliquidated Passenger Facility Charge Revenue Account December 31, 2017
Extend taxiway K, Phase II	$ 201,280	$ 15,059	$ -	$ 101,360	$ 114,979
Total assets	$ 201,280	$ 15,059	$ -	$ 101,360	$ 114,979

See accompanying Independent Auditor's Report.

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

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Pueblo
	YEAR ENDING : December 2017
This Information From The Records Of (example - City of _ or County of _ City of Pueblo	Prepared By: Phone: (719) 553-2638

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	3,923,311
3. Other local imposts (from page 2)	2,270,199
4. Miscellaneous local receipts (from page 2)	1,252,680
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	7,446,189
B. Private Contributions	1,544,698
C. Receipts from State government (from page 2)	3,792,780
D. Receipts from Federal Government (from page 2)	3,177,843
E. Total receipts (A.7 + B + C + D)	15,961,510

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	11,664,268
2. Maintenance:	2,137,459
3. Road and street services:	
a. Traffic control operations	1,533,320
b. Snow and ice removal	156,721
c. Other	720,812
d. Total (a. through c.)	2,410,853
4. General administration & miscellaneous	389,708
5. Highway law enforcement and safety	1,271,560
6. Total (1 through 5)	17,873,848
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	17,873,848

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
4,523,839	15,961,510	17,873,848	2,611,501	0

Notes and Comments:

FORM FHWA-536 (Rev. 1-05) PREVIOUS EDITIONS OBSOLETE (Next Page)

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2017

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	559,766	a. Interest on investments	17,136
b. Other local imposts:		b. Traffic Fines & Penalities	1,002,550
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	108,467	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	1,601,966	g. Other Misc. Receipts	95,555
6. Total (1. through 5.)	1,710,433	h. Other	137,437
c. Total (a. + b.)	2,270,199	i. Total (a. through h.)	1,252,680
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	3,432,075	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	360,705	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	3,177,843
f. Total (a. through e.)	360,705	g. Total (a. through f.)	3,177,843
4. Total (1. + 2. + 3.f)	3,792,780	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		911,976	911,976
b. Engineering Costs		274,380	274,380
c. Construction:			
(1). New Facilities		3,902,381	3,902,381
(2). Capacity Improvements		5,326,789	5,326,789
(3). System Preservation		1,156,207	1,156,207
(4). System Enhancement & Operation		92,536	92,536
(5). Total Construction (1) + (2) + (3) + (4)	0	10,477,912	10,477,912
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	11,664,268	11,664,268
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE

STATISTICAL SECTION

This part of the City'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 City's overall financial health.

Contents **Pages**

Financial Trends
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 159

Revenue Capacity
These schedules contain information to help the reader assess the City's most significant local revenue sources, sales tax and property tax. 165

Debt Capacity
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 172

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 177

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and activities it performs. 179

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

CITY OF PUEBLO, COLORADO
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	$ 253,371,346	$ 270,972,634	$ 275,400,749	$ 282,143,652	$ 300,421,948	$ 304,720,914	$ 310,952,995	$ 307,415,524	$ 322,263,921	$ 325,980,692
Restricted	88,686,068	69,256,542	65,864,287	93,697,144	88,835,861	88,385,298	98,744,705	97,683,789	95,030,761	100,958,399
Unrestricted	9,623,844	28,408,089	38,589,640	19,596,982	11,816,144	20,453,939	(26,319,466)	(16,336,921)	(6,551,772)	(10,981,512)
Total governmental activities net position	$ 351,681,258	$ 368,637,265	$ 379,854,676	$ 395,437,778	$ 401,073,953	$ 413,560,151	$ 383,378,234	$ 388,762,392	$ 410,742,910	$ 415,957,579
Business-type activities										
Net investment in capital assets	$ 106,505,768	$ 115,961,714	$ 123,736,794	$ 134,281,593	$ 138,568,644	$ 157,831,233	$ 160,736,818	$ 162,247,604	$ 163,146,725	$ 169,296,964
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	12,079,718	14,180,545	17,522,178	18,277,323	19,267,977	19,818,953	12,673,300	12,270,072	18,682,525	23,573,900
Total business-type activities net position	$ 118,585,486	$ 130,142,259	$ 141,258,972	$ 152,558,916	$ 157,836,621	$ 177,650,186	$ 173,410,118	$ 174,517,676	$ 181,829,250	$ 192,870,864
Primary government										
Net investment in capital assets	$ 359,877,114	$ 386,934,348	$ 399,137,543	$ 416,425,245	$ 438,990,592	$ 462,552,147	$ 471,689,813	$ 469,663,128	$ 485,410,646	$ 495,277,656
Restricted	88,686,068	69,256,542	65,864,287	93,697,144	88,835,861	88,385,298	98,744,705	97,683,789	95,030,761	100,958,399
Unrestricted	21,703,562	42,588,634	56,111,818	37,874,305	31,084,121	40,272,892	(13,646,166)	(4,066,849)	12,130,753	12,592,388
Total primary government net position	$ 470,266,744	$ 498,779,524	$ 521,113,648	$ 547,996,694	$ 558,910,574	$ 591,210,337	$ 556,788,352	$ 563,280,068	$ 592,572,160	$ 608,828,443

CITY OF PUEBLO, COLORADO
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program revenue										
Governmental activities										
Permits, fees, fines and charges for services										
General government	$ 2,369,917	$ 2,075,228	$ 1,642,290	$ 1,851,960	$ 1,998,698	$ 2,036,502	$ 2,091,671	$ 3,537,728	$ 3,699,562	$ 3,915,422
Public safety	5,191,857	5,201,273	5,325,642	5,354,057	5,406,875	4,436,306	4,335,834	3,630,834	3,902,691	4,731,960
Public works	704,379	450,217	489,761	487,854	495,989	539,532	710,835	353,921	465,353	246,015
Culture and community welfare	100,881	49,210	364,384	276,516	299,675	414,365	293,731	368,223	297,828	292,396
Parks and recreation	301,673	372,275	531,839	592,114	685,329	634,639	639,218	631,889	648,325	716,149
Economic development	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	11,434,429	10,385,132	12,193,129	13,493,320	13,616,953	22,104,201	9,134,469	10,428,895	14,328,624	9,345,632
Capital grants and contributions	7,197,160	7,944,326	7,489,339	8,212,014	9,128,467	6,944,859	7,488,040	8,159,967	9,620,950	6,974,583
Total governmental activities program revenue	27,300,296	26,477,661	28,036,384	30,267,835	31,631,986	37,110,404	24,693,798	27,111,457	32,963,333	26,222,157
Business-type activities										
Charges for services										
Golf	$ 2,222,900	$ 2,254,076	$ 2,160,142	$ 2,118,331	$ 2,163,333	$ 2,140,132	$ 2,114,228	$ 2,227,398	$ 2,212,471	$ 2,178,770
Sewer	10,911,573	12,392,418	13,673,319	13,454,038	13,805,921	14,355,943	15,256,778	16,422,771	18,564,168	20,199,200
Stormwater	2,731,475	2,771,994	2,757,602	2,754,867	2,791,898	3,253,081	3,369,638	3,579,194	4,568,531	4,198,016
Other	4,209,175	4,678,642	4,282,123	5,055,394	4,756,160	4,486,419	4,929,973	4,981,018	5,306,526	5,482,730
Operating grants and contributions	1,754,736	1,676,299	1,793,282	2,033,900	2,220,825	2,050,457	2,037,268	2,008,817	7,037,900	2,732,228
Capital grants and contributions	3,019,001	10,341,094	7,622,792	8,291,358	4,811,702	20,762,845	3,828,080	2,908,184	747,707	61,883
Total business-type activities program revenue	24,848,860	34,114,523	32,289,260	33,707,888	30,549,839	47,048,877	31,535,965	32,127,382	38,437,303	34,852,827
Total primary government program revenue	$ 52,149,156	$ 60,592,184	$ 60,325,644	$ 63,975,723	$ 62,181,825	$ 84,159,281	$ 56,229,763	$ 59,238,839	$ 71,400,636	$ 61,074,984
Net (expense) revenue										
Governmental activities	$ (58,515,365)	$ (55,202,789)	$ (62,106,636)	$ (57,284,435)	$ (63,493,325)	$ (58,222,040)	$ (64,792,019)	$ (70,735,052)	$ (60,791,925)	$ (70,886,130)
Business-type activities	3,005,869	9,080,664	7,719,270	7,284,039	1,423,116	16,167,188	(324,657)	(3,384,330)	2,216,488	(727,914)
Total primary government net (expense) revenue	$ (55,509,496)	$ (46,122,125)	$ (54,387,366)	$ (50,000,396)	$ (62,070,209)	$ (42,054,852)	$ (65,116,676)	$ (74,119,382)	$ (58,575,437)	$ (71,614,044)

CITY OF PUEBLO, COLORADO
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
General government	$ 10,266,329	$ 11,256,849	$ 11,126,432	$ 11,663,415	$ 11,063,544	$ 13,800,967	$ 9,410,359	$ 12,471,787	$ 13,947,968	$ 13,327,614
Public safety	41,470,395	42,232,017	45,180,523	46,320,164	47,846,439	46,616,804	48,485,290	44,662,761	46,540,217	49,623,376
Public works	11,192,330	12,056,802	14,682,821	10,982,420	11,944,466	11,618,176	11,682,330	20,780,039	17,710,527	11,746,051
Culture and community welfare	9,110,212	7,713,219	8,880,083	9,841,081	13,253,542	11,504,623	7,905,331	8,055,195	8,548,558	7,911,436
Parks and recreation	4,808,532	4,668,002	5,213,738	5,361,632	6,372,059	5,722,667	5,719,300	5,828,170	6,897,741	7,511,512
Economic development	8,321,122	2,197,779	3,608,000	2,003,481	3,380,770	4,931,043	4,985,902	4,906,360	(845,556)	5,539,464
Other	-	-	-	-	-	-	-	-	544,756	735,897
Interest on long-term debt	646,741	1,555,782	1,451,423	1,380,077	1,264,491	1,138,164	1,297,305	1,142,197	411,047	712,937
Total governmental activities	85,815,661	81,680,450	90,143,020	87,552,270	95,125,311	95,332,444	89,485,817	97,846,509	93,755,258	97,108,287
Business-type activities										
Golf enterprise	$ 2,649,688	$ 2,666,857	$ 2,597,293	$ 2,632,292	$ 2,750,495	$ 2,861,233	$ 2,911,244	$ 2,966,262	$ 3,100,949	$ 2,333,926
Sewer user	7,587,616	8,653,027	8,537,456	9,124,088	11,009,307	12,506,548	12,674,302	16,540,331	12,038,544	14,625,289
Stormwater utility	2,432,055	2,617,256	2,637,540	2,730,534	3,125,968	2,896,741	2,861,912	2,896,523	7,314,843	4,707,825
Other business-type activities	9,173,632	11,096,719	10,797,701	11,936,935	12,240,953	12,617,167	13,413,164	13,108,596	13,766,479	13,913,701
Total business-type activities	21,842,991	25,033,859	24,569,990	26,423,849	29,126,723	30,881,689	31,860,622	35,511,712	36,220,815	35,580,741
Total primary government expenses	$ 107,658,652	$ 106,714,309	$ 114,713,010	$ 113,976,119	$ 124,252,034	$ 126,214,133	$ 121,346,439	$ 133,358,221	$ 129,976,073	$ 132,689,028

CITY OF PUEBLO, COLORADO
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General revenue and other changes in net position										
Governmental activities										
Property taxes	$ 10,825,444	$ 10,997,706	$ 11,270,663	$ 11,444,707	$ 11,908,875	$ 12,905,041	$ 12,719,414	$ 12,811,986	$ 13,403,730	$ 13,153,309
Franchise and other taxes	5,666,015	5,704,383	5,750,053	6,178,164	6,651,168	6,557,472	7,020,223	7,210,741	7,315,083	7,483,814
Sales and use taxes	51,337,779	53,922,799	48,902,489	55,014,310	50,471,792	51,947,998	51,351,232	56,203,150	61,553,748	61,604,922
Payment in lieu of taxes	-	-	7,509,859	9,859	9,859	9,859	9,859	9,859	9,859	9,859
Unrestricted investment earnings	2,381,232	981,250	563,205	973,281	526,792	(99,169)	618,324	545,820	452,532	734,768
Miscellaneous	2,161,617	2,190,302	2,087,171	2,384,645	2,509,676	2,287,852	2,066,165	2,841,209	3,962,782	4,024,976
Gain on disposition of assets	-	-	-	-	-	-	-	-	-	-
Transfers	(2,831,378)	(2,371,946)	(2,759,393)	(3,137,429)	(2,948,662)	(3,018,863)	(3,464,599)	(3,503,555)	(3,925,294)	(10,910,849)
Total governmental activities	69,540,709	71,424,494	73,324,047	72,867,537	69,129,500	70,590,190	70,320,618	76,119,210	82,772,440	76,100,799
Business-type activities										
Unrestricted investment earnings	$ 922,792	$ 824,620	$ 631,776	$ 843,959	$ 795,501	$ 626,139	$ 916,154	$ 960,271	$ 980,331	$ 264,471
Miscellaneous	2,941	13,844	6,274	34,517	110,426	1,375	138	28,062	189,461	515,991
Gain on disposition of assets	-	-	-	-	-	-	-	-	-	78,217
Loss on defeasance	-	-	-	-	-	-	-	-	-	-
Transfers	2,831,378	2,371,946	2,759,393	3,137,429	2,948,662	3,018,863	3,464,599	3,503,555	3,925,294	10,910,849
Total business-type activities	3,757,111	3,210,410	3,397,443	4,015,905	3,854,589	3,646,377	4,380,891	4,491,888	5,095,086	11,769,528
Total primary government	$ 73,297,820	$ 74,634,904	$ 76,721,490	$ 76,883,442	$ 72,984,089	$ 74,236,567	$ 74,701,509	$ 80,611,098	$ 87,867,526	$ 87,870,327
Change in net position										
Governmental activities	$ 11,025,344	$ 16,221,705	$ 11,217,411	$ 15,583,102	$ 5,636,175	$ 12,368,150	$ 5,528,599	$ 5,384,158	$ 21,980,515	$ 5,214,669
Business-type activities	6,762,980	12,291,074	11,116,713	11,299,944	5,277,705	19,813,565	4,056,234	1,107,558	7,311,574	11,041,614
Total primary government change in net position	$ 17,788,324	$ 28,512,779	$ 22,334,124	$ 26,883,046	$ 10,913,880	$ 32,181,715	$ 9,584,833	$ 6,491,716	$ 29,292,089	$ 16,256,283

CITY OF PUEBLO, COLORADO
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified accrual basis of accounting)

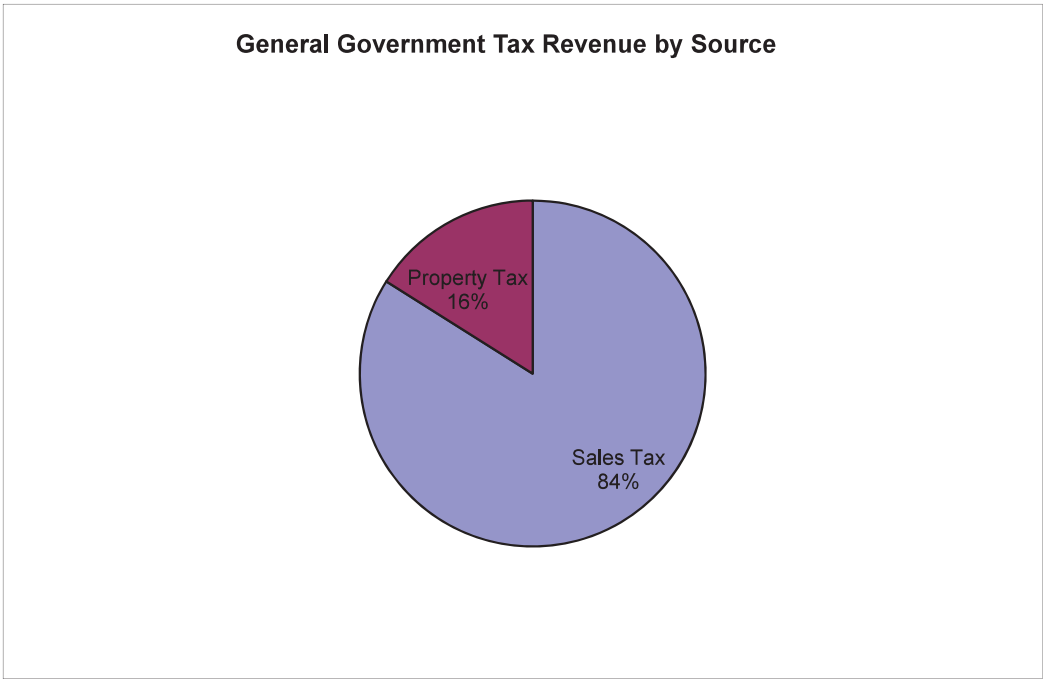
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Reserved	$ 4,820,869	$ 6,792,406	$ 6,422,263							
Unreserved	18,893,395	16,024,783	17,469,357							
Total general fund	$ 23,714,264	$ 22,817,189	$ 23,891,620							
All other governmental funds										
Reserved	$ 91,277,899	$ 74,504,669	$ 72,333,940							
Unreserved, reported in:										
Special revenue funds	4,385,845	3,458,533	5,045,912							
Debt service funds	-	-	-							
Capital project funds	4,408,683	7,384,735	10,153,988							
Total all other governmental funds	$ 100,072,427	$ 85,347,937	$ 87,533,840							
General Fund										
Nonspendable				$ 1,806,325	$ 1,819,164	$ 1,739,939	$ 1,730,596	$ 2,028,732	$ 1,914,431	$ 1,823,188
Restricted				2,600,000	2,600,000	2,600,000	2,600,000	2,900,000	2,900,000	2,700,000
Committed				7,669,649	7,705,629	7,689,824	7,486,408	7,657,428	7,927,638	8,540,589
Assigned				10,496,794	7,486,269	5,494,282	5,554,298	7,941,687	10,116,595	10,851,933
Unassigned				422,402	-	37,138	1,040,371	1,591,577	5,539,271	7,715,290
Total general fund				$ 22,995,170	$ 19,611,062	$ 17,561,183	$ 18,411,673	$ 22,119,424	$ 28,397,935	$ 31,631,000
All other governmental funds										
Nonspendable				$ 747,000	$ 747,000	$ -	$ -	$ -	$ 1,359,572	$ 747,000
Restricted				91,097,144	86,235,861	85,785,298	92,099,404	89,823,700	91,757,064	98,258,399
Committed				223,081	223,080	104,831	1,548,817	-	467,154	104,831
Assigned				5,391,471	3,025,298	3,700,909	2,814,032	4,319,768	5,548,342	1,395,994
Unassigned				-	-	-	-	(1,736,679)	(5,100)	(4,008)
Total all other governmental funds				$ 97,458,696	$ 90,231,239	$ 89,591,038	$ 96,462,253	$ 92,406,789	$ 99,127,032	$ 100,502,216

CITY OF PUEBLO, COLORADO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	$ 67,829,283	$ 65,939,451	$ 70,590,717	$ 71,397,662	$ 68,749,023	$ 70,430,187	$ 71,910,738	$ 76,138,538	$ 82,317,674	$ 81,944,382
Payment in lieu of taxes	-	4,600,000	2,909,859	9,859	9,859	9,859	9,859	9,859	9,859	9,859
Fees and fines	2,637,266	2,136,887	2,276,641	2,355,108	2,090,603	1,849,081	1,611,630	1,798,138	1,741,259	1,986,461
Licenses and permits	567,319	558,257	600,523	561,141	574,360	603,249	576,283	591,466	652,734	832,065
Intergovernmental	13,365,004	14,549,354	18,073,674	19,678,700	16,170,914	23,188,363	11,871,960	15,964,015	22,481,211	15,082,105
Charges for services	4,657,314	4,445,802	4,538,144	4,706,111	5,723,274	5,216,546	5,534,195	6,351,180	6,567,569	6,367,387
Investment earnings	2,328,993	915,059	509,745	894,162	454,207	(95,480)	540,404	477,251	391,915	682,348
Miscellaneous	1,413,612	1,553,276	3,306,444	1,877,391	1,011,170	1,503,609	860,354	1,062,995	1,150,565	3,406,114
Total revenues	92,798,791	94,698,086	102,805,747	101,480,134	94,783,410	102,705,414	92,915,423	102,393,442	115,312,786	110,310,721
Expenditures										
Current										
General government	9,309,207	8,906,351	9,446,931	9,906,695	9,757,420	9,324,677	8,775,946	9,274,465	10,326,644	15,317,582
Public safety	39,570,942	38,880,698	40,797,229	41,840,926	42,581,744	53,423,916	42,129,729	42,633,784	43,782,281	44,423,822
Public works	9,999,375	9,673,957	12,584,529	9,150,113	9,749,975	9,298,026	9,464,524	18,521,210	14,533,241	9,237,437
Parks and recreation	4,202,445	4,036,880	4,460,129	4,752,890	5,382,385	4,790,964	4,743,862	4,714,260	5,022,663	5,757,114
Economic development	8,298,423	2,196,510	3,606,731	1,720,757	3,123,621	4,698,157	5,027,462	4,659,769	(945,264)	2,344,041
Culture and community welfare	8,530,074	7,070,616	8,324,329	9,223,504	12,664,949	11,117,958	7,356,405	7,622,393	8,014,330	7,376,916
Other	794,121	1,252,382	615,174	479,457	521,614	402,110	485,078	601,143	544,756	735,897
Debt service										
Principal	1,315,016	2,099,407	1,925,287	1,998,559	2,117,410	2,536,229	2,772,040	3,206,097	3,570,506	3,970,960
Interest and other charges	870,523	1,242,553	1,414,334	1,333,949	1,267,515	1,204,852	1,270,723	1,138,466	1,074,367	401,897
Capital outlay	13,743,802	31,511,351	12,211,347	8,154,482	16,076,440	8,422,405	3,306,401	6,965,445	14,997,703	11,284,170
Total expenditures	96,633,928	106,870,705	95,386,020	88,561,332	103,243,073	105,219,294	85,332,170	99,337,032	100,921,227	100,849,836
Excess revenues over (under) expenditures	(3,835,137)	(12,172,619)	7,419,727	12,918,802	(8,459,663)	(2,513,880)	7,583,253	3,056,410	14,391,559	9,460,885
Other financing sources (uses)										
Proceeds from borrowing	20,625,000	-	-	363,503	1,173,612	2,367,868	4,200,000	-	3,002,532	1,400
Discount on bonds issued	(152,373)	-	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	-	1,939,932	961,954	512,536
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	-
Sales of Capital Assets	-	-	-	-	-	912,533	154,692	109,500	-	-
Transfers in	13,754,387	18,317,883	14,744,489	13,256,748	10,980,219	10,267,116	9,139,517	11,082,730	10,195,410	12,926,287
Transfers out	(17,135,766)	(21,766,829)	(18,903,882)	(17,362,999)	(14,453,381)	(13,605,669)	(13,473,805)	(16,536,285)	(15,552,704)	(18,292,859)
Total other financing sources (uses)	17,091,248	(3,448,946)	(4,159,393)	(3,742,748)	(2,299,550)	(58,152)	20,404	(3,404,123)	(1,392,808)	(4,852,636)
Net changes in fund balances	13,256,111	(15,621,565)	3,260,334	9,176,054	(10,759,213)	(2,572,032)	7,603,657	(347,713)	12,998,751	4,608,249
Fund balances - beginning	110,530,580	123,786,691	108,165,126	111,425,460	120,601,514	109,842,301	107,270,269	114,873,926	114,526,216	127,524,967
Fund balances - ending	$ 123,786,691	$ 108,165,126	$ 111,425,460	$ 120,601,514	$ 109,842,301	$ 107,270,269	$ 114,873,926	$ 114,526,216	$ 127,524,967	$ 132,133,216
Debt service as a percentage of non-capital expenditures	2.6%	4.4%	4.0%	4.1%	3.9%	3.9%	4.9%	4.7%	5.4%	4.9%

CITY OF PUEBLO, COLORADO
GENERAL GOVERNMENT TAX REVENUE BY SOURCE
Last Ten Fiscal Years

Fiscal Year	Sales and Miscellaneous Taxes	Rate	Property Tax	Rate	Total
2008	$ 57,004,125	3.50%	$ 10,825,158	15.633%	$ 67,829,283
2009	54,998,393	3.50%	10,941,058	15.633%	65,939,451
2010	59,320,054	3.50%	11,270,663	15.633%	70,590,717
2011	59,952,955	3.50%	11,444,707	15.633%	71,397,662
2012	56,840,148	3.50%	11,908,875	15.633%	68,749,023
2013	57,527,855	3.50%	12,902,332	15.633%	70,430,187
2014	59,191,323	3.50%	12,719,415	15.633%	71,910,738
2015	63,326,552	3.50%	12,811,986	15.633%	76,138,538
2016	68,913,944	3.50%	13,403,730	15.633%	82,317,674
2017	68,791,073	3.50%	13,153,309	15.633%	81,944,382



The sales and use tax rate (3.5%) consists of 3.0% general tax and .5% tax specifically for use in economic development. Sales tax is levied on all retail sales, leases, and rentals of tangible personal property on the basis of the purchase or rental price. Food purchased for preparation and consumption at home is exempt from sales tax. Prescription medications are also exempt from sales tax. Use tax is collected on purchases of items which are used in Pueblo and on which the 3.5% local sales tax has not been paid to another jurisdiction.

Property tax is levied against all real property and business-related personal property within the City of Pueblo.

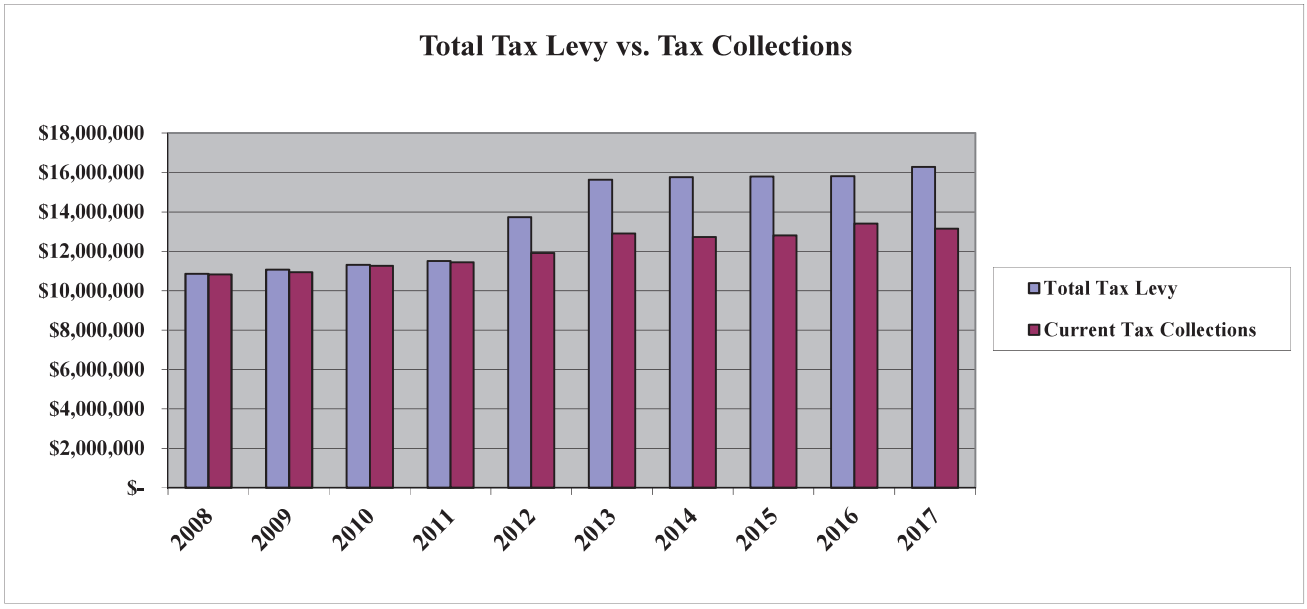
CITY OF PUEBLO, COLORADO
TAXABLE SALES BY CATEGORY
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	% of Total
Apparel stores	$ 21,167,981	$ 20,665,388	$ 22,587,643	$ 22,726,167	$ 21,078,355	$ 21,712,161	$ 21,711,110	$ 20,634,443	$ 20,272,604	$ 19,849,447	1.1%
General merchandise	274,889,106	271,065,537	273,664,541	269,866,690	271,614,426	269,825,995	262,641,258	268,291,882	274,049,873	276,157,293	15.3%
Food/drug/liquor stores	57,815,813	59,518,359	61,428,357	63,799,469	64,577,531	66,970,357	66,864,169	70,252,481	75,941,336	75,188,781	4.2%
Eating and drinking establishments	176,341,311	175,986,153	178,342,206	181,007,675	188,975,381	194,976,983	199,340,110	215,135,731	226,031,722	231,388,342	12.8%
Home furnishings and appliances	43,193,441	33,464,768	27,775,023	26,675,919	26,589,441	27,822,264	28,221,714	27,883,465	24,558,569	22,961,790	1.3%
Building materials and farm tools	176,033,910	161,330,267	156,992,265	128,552,869	128,914,149	138,523,216	142,638,333	166,576,091	197,116,069	206,519,526	11.4%
Auto dealers and supplies	138,744,763	138,337,249	119,665,344	121,521,485	137,163,808	145,887,947	156,434,840	184,178,841	191,997,840	192,863,562	10.7%
Other retail stores	200,055,193	199,686,795	222,591,059	215,867,314	205,612,974	210,573,040	231,554,778	242,005,604	249,292,166	306,870,709	17.0%
Utilities	204,728,857	185,146,431	186,111,405	209,678,211	233,629,333	215,875,798	225,969,757	216,905,819	232,977,413	226,557,799	12.5%
All other outlets	199,125,770	204,417,996	186,202,664	197,478,109	178,453,889	181,937,413	189,488,275	204,278,923	219,327,119	250,337,933	13.8%
Total	$ 1,492,096,145	$ 1,449,618,943	$ 1,435,360,507	$ 1,437,173,908	$ 1,456,609,287	$ 1,474,105,174	$ 1,524,864,344	$ 1,616,143,280	$ 1,711,564,711	$ 1,808,695,182	100.0%
City direct sales tax rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	

CITY OF PUEBLO, COLORADO
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	(1) Total Tax Levy	(2) Current Tax Collections	Percentage of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Accumulated Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2008	$ 10,856,206	$ 10,819,644	99.7%	$ 5,514	$ 10,825,158	99.7%	$ 458,798	4.2%
2009	11,068,364	10,940,836	98.8%	222	10,941,058	98.8%	586,104	5.3%
2010	11,318,452	11,262,805	99.5%	7,858	11,270,663	99.6%	633,893	5.6%
2011	11,507,693	11,437,371	99.4%	7,336	11,444,707	99.5%	696,879	6.1%
2012	13,736,996	11,915,905	86.7%	(7,030)	11,908,875	86.7%	2,525,000	18.4%
2013	15,638,844	12,897,509	82.5%	4,823	12,902,332	82.5%	5,261,512	33.6%
2014	15,764,500	12,719,454	80.7%	(39)	12,719,415	80.7%	8,306,597	52.7%
2015	15,797,889	12,805,555	81.1%	6,431	12,811,986	81.1%	11,292,500	71.5%
2016	15,808,017	13,402,890	84.8%	840	13,403,730	84.8%	13,696,787	86.6%
2017	16,274,147	13,148,137	80.8%	5,172	13,153,309	80.8%	16,817,625	103.3%

(1) For consistency in computing ratios, total tax is shown net of the one percent County Treasurer's fee.
(2) Real and Property Taxes are assessed as of January 1. Taxes are due in full on April 30, or in installments with the first half due February 28 and the second half due June 15.



CITY OF PUEBLO, COLORADO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

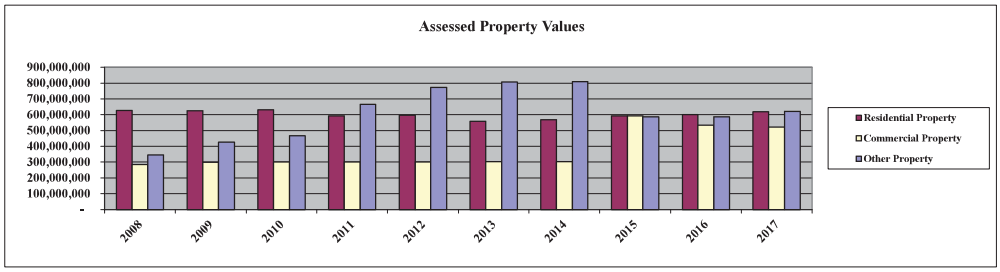
	(1) Assessed Property Values						(2)	(2)
Fiscal Year	Residential Property	Commercial Property	Other Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Property Value	Assessed Value as a Percentage of Actual Value
2008	626,503,880	284,855,540	345,441,070	(540,105,000)	716,695,490	15.633%	9,617,015,119	7.452%
2009	626,001,880	298,026,320	426,264,430	(626,270,159)	724,022,471	15.633%	9,836,666,261	7.360%
2010	631,211,662	300,395,819	467,214,669	(616,860,250)	781,961,900	15.633%	10,024,831,899	7.800%
2011	592,630,631	301,583,023	664,907,749	(608,178,821)	950,942,582	15.633%	9,594,209,379	9.912%
2012	596,086,787	300,801,415	772,929,417	(608,060,262)	1,061,757,357	15.633%	9,571,359,504	11.093%
2013	558,332,627	303,331,362	806,240,212	(611,072,756)	1,056,831,445	15.633%	9,125,979,829	11.580%
2014	569,105,609	303,057,840	809,070,316	(624,842,447)	1,056,391,318	15.633%	9,196,208,127	11.487%
2015	593,217,974	593,217,974	585,647,170	(703,560,824)	1,068,522,294	15.633%	11,349,016,092	9.415%
2016	600,068,689	533,129,108	587,015,330	(661,471,649)	1,058,741,478	15.633%	11,401,118,396	9.286%
2017	618,206,460	521,701,306	621,071,702	(672,114,147)	1,088,865,321	15.633%	12,526,797,412	8.692%

(1) Assessed value data provided by Pueblo County Assessor's Office for entire county.
NOTE: Residential value decreases are the result of revaluation for taxes.

(2) Actual Property Value is the base from which assessed value is derived. Excludes State Assessed and Exempt properties.

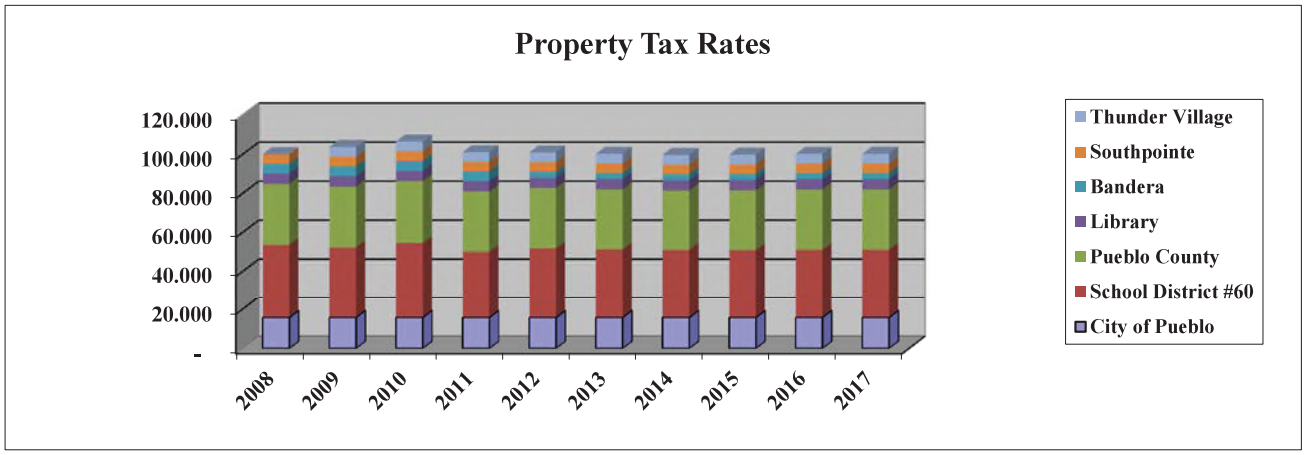
NOTE 1: Property in Pueblo County assesses property at approximately 29 percent of actual value for commercial and industrial property and eight percent for residential property. Tax rates are per $1,000 of assessed value.

NOTE 2: Subsequent to February 2004, formula used to estimate residential building permit value modified. Data on permit value subsequent to this data not consistent with prior years.



CITY OF PUEBLO, COLORADO
PROPERTY TAX RATES
OF DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Fiscal Year	City Direct Rate	Overlapping Rates *					
	General Operating Expenditures	School District #60	Pueblo County	Pueblo Regional Library	Bandera Blvd. Special Improvement District	Southpointe Special Improvement District	Thunder Village Metropolitan District
2008	15.633	37.966	31.195	5.261	5.000	5.000	-
2009	15.633	36.629	31.118	5.302	5.000	5.000	5.000
2010	15.633	38.811	31.677	5.413	5.000	5.000	5.000
2011	15.633	34.324	30.872	5.268	5.000	5.000	5.000
2012	15.633	36.032	30.959	5.293	3.000	5.000	5.000
2013	15.633	35.573	30.750	5.258	3.000	5.000	5.000
2014	15.633	35.347	30.469	5.262	3.000	5.000	5.000
2015	15.633	35.234	30.710	5.255	3.000	5.000	5.000
2016	15.633	35.392	30.867	5.282	3.000	5.000	5.000
2017	15.633	35.418	30.887	5.288	3.000	5.000	5.000



Source: Pueblo County, Colorado Abstract of Assessment

Notes: The City's basic property tax rate may be increased only by a vote of the City's residents. The City's direct rate's sole purpose is general operating expenses. No mil levy has been approved for debt service or other purposes.

* Overlapping rates are those of local and county governments that apply to property owners within the City of Pueblo. Not all overlapping rates apply to all City of Pueblo property owners; for example, although the county property tax rates apply to all City property owners, the Southpointe Special Improvement District rates apply only to the City property owners whose property is located within that district's geographic boundaries.

CITY OF PUEBLO, COLORADO
PRINCIPAL PROPERTY TAXPAYERS
December 31, 2017 and Nine Years Prior

Current Year					Nine Years Prior	
Rank	Taxpayer	Type of Business	2017 Assessed Valuation	Percentage of Total Assessed Valuation	Rank	2008 Assessed Valuation
1	Public Service Co. of Colorado	Natural gas utility	$ 224,490,894	20.6%	1	$ 42,857,530
2	Black Hills Colorado Electric	Electric utility	59,644,254	5.5%		
3	Intermountain Rural Electric	Electric utility	50,002,600	4.6%		
4	Black Hills Colorado IPP LLC	Electric utility	43,122,900	4.0%		
5	Holy Cross Electric Assn Inc	Electric utility	16,793,600	1.5%		
6	Qwest Corporation	Communications	15,595,800	1.4%	2	16,458,600
7	Vesta Towers America Inc.		15,038,167	1.4%		
8	Vesta Towers of America Inc		14,806,896	1.4%		
9	Comcast of Colorado IV LLC	Communications	6,569,373	0.6%		
10	Parkview Medical Center Inc	Medical	6,561,537	0.6%	3	5,375,050
	Cellco Partnership FKA Verizon	Communications			4	4,477,800
	Black Hills Corporation				5	4,090,220
	Renaissance Partners I LLC	Sports/entertainment			6	3,923,830
	Sam's Real Estate Business	Retail			7	2,532,660
	Walmart Real Estate Business	Retail			8	2,399,830
	Cole WM Pueblo, LLC	Retail			9	2,311,990
	City of Pueblo				10	2,202,250
	Total 2017 property tax valuation for City of Pueblo		$ 1,088,865,321			

Note: Ranking based upon 2017 collections of tax amounts due calculated on 2016 assessed valuation

Source: Property tax valuation amounts provided by Pueblo County Assessor's Office

CITY OF PUEBLO, COLORADO
PRINCIPAL SALES TAXPAYERS
December 31, 2017 and Nine Years Prior

Sales and Use Tax is the City's largest revenue source, producing 70.8% of the revenues for the Governmental Activities. We are prohibited by ordinance from releasing sales tax information on individual taxpayers. We are providing the following as the next best available option:

Percentage of Sales & Use Tax by Industry Code

	2017	2008
General Merchandise Stores	15%	18%
Utilities	12%	14%
Restaurants	13%	12%
Auto Sales	11%	9%
All other	49%	47%
	100%	100%

CITY OF PUEBLO, COLORADO
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

	Governmental Activities					Business-Type Activities						
Fiscal Year	General Obligation Bonds	Capital Improvement Revenue Bonds	Certificates of Participation	Capital Leases	Notes Payable	Revenue Bonds	Certificates of Participation	Capital Leases	Notes Payable	Total Primary Government	Percentage of Personal Income	Per Capita
2008	$ 6,677,561	$ -	$ 20,687,109	$ 4,705,961	$ 36,352	$ -	$ 669,168	$ 476,902	$ 6,589,105	$ 39,842,158	0.96%	382
2009	5,947,186	-	19,800,325	4,146,905	24,255	-	457,540	365,314	7,726,402	38,467,927	0.87%	368
2010	5,186,821	-	19,139,642	3,657,658	12,158	-	234,512	220,684	32,291,438	60,742,913	1.26%	570
2011	4,401,456	-	18,450,359	3,512,242	-	-	-	2,064,742	30,799,208	59,228,007	1.20%	552
2012	3,653,433	-	17,805,716	4,043,444	-	-	-	3,011,827	29,301,395	57,815,815	1.07%	535
2013	2,785,621	-	17,131,073	5,441,191	-	-	-	2,593,373	28,412,296	56,363,554	1.01%	522
2014	1,887,809	-	20,621,430	4,269,151	-	-	-	2,215,303	30,768,525	59,762,218	1.07%	551
2015	955,000	-	19,496,000	3,113,841	-	-	-	1,826,850	28,812,128	54,203,819	0.99%	495
2016	-	-	19,798,176	4,556,837	-	-	-	1,427,643	27,030,037	52,812,693	0.93%	489
2017	-	-	17,119,784	3,176,780	-	-	-	1,886,471	25,218,973	47,402,008	0.79%	437

Note: Details regarding the City's outstanding debt can be found in the Notes to Financial Statements.

CITY OF PUEBLO, COLORADO
RATIOS OF NET GENERAL OBLIGATION DEBT OUTSTANDING
Last Ten Fiscal Years

	General Bonded Debt Outstanding						
Fiscal Year	General Obligation Bonds	Capital Improvement Revenue Bonds	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Actual Property Value	Per Capita
2008	$ 6,677,561	$ -	$ 6,677,561	$ -	$ 6,677,561	0.07%	63.39
2009	5,947,186	-	5,947,186	-	5,947,186	0.06%	56.16
2010	5,186,821	-	5,186,821	-	5,186,821	0.05%	48.66
2011	4,401,456	-	4,401,456	-	4,401,456	0.05%	41.02
2012	3,653,433	-	3,653,433	-	3,653,433	0.04%	33.83
2013	2,785,621	-	2,785,621	-	2,785,621	0.03%	25.78
2014	1,887,809	-	1,887,809	-	1,887,809	0.02%	17.41
2015	955,000	-	955,000	-	955,000	0.01%	8.73
2016	-	-	-	-	-	0.00%	-
2017	-	-	-	-	-	0.00%	-

Note 1: Details regarding the City's outstanding debt can be found in the Notes to Financial Statements.

Note 2: Population information can be found on the schedule of Demographic and Economic Statistics.

Note 3: Estimated actual property values can be found on the schedule of Assessed and Actual Property Values and New Contruction.

CITY OF PUEBLO, COLORADO
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2017

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Pueblo	Amount Applicable to City of Pueblo
Direct debt	$ 20,296,564	100.0%	$ 20,296,564
Total direct debt	$ 20,296,564		$ 20,296,564
Overlapping entities:			
Board of Water Works	$ 35,930,000	0.0%	$ -
Pueblo County Debt	84,306,905	0.0%	-
School District #60 Debt	59,996,075	0.0%	-
Total overlapping debt	$ 180,232,980		$ -
Total direct and overlapping debt	$ 200,529,544		$ 20,296,564

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

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

CITY OF PUEBLO, COLORADO
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

		Legal Debt Margin Calculation for Fiscal Year 2017
Assessed value - 2016 for 2017 taxes		$ 1,088,865,321
Debt limitation - Ten percent of total assessed value		108,886,532
Total applicable debt	$ -	
Less amount available for repayment of general obligation bonds	-	
Total net debt applicable to limitation		-
Legal debt margin		$ 108,886,532

	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Debt limit	$ 71,669,549	$ 72,402,247	$ 78,196,190	$ 95,094,258	$ 106,175,736	$ 105,683,145	$ 105,639,132	$ 106,852,229	$ 105,874,148	$ 108,886,532
Total net debt applicable to limit	6,710,000	5,975,000	5,210,000	4,420,000	3,600,000	2,750,000	1,870,000	955,000	-	-
Legal debt margin	$ 64,959,549	$ 66,427,247	$ 72,986,190	$ 90,674,258	$ 102,575,736	$ 102,933,145	$ 103,769,132	$ 105,897,229	$ 105,874,148	$ 108,886,532
Total net debt applicable to the limit as a percentage of debt limit	9.36%	8.25%	6.66%	4.65%	3.39%	2.60%	1.77%	0.89%	0.00%	0.00%

Detailed information regarding the long-term debt of the City can be found in the Notes to Financial Statements.

Future debt issuance may be subject to the Taxpayer's Bill of Rights (TABOR).

CITY OF PUEBLO, COLORADO
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

Wastewater Revenue Bonds/Note Payable

Fiscal Year	Wastewater Enterprise Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage
2008	$ 10,911,573	$ 7,347,030	$ 3,564,543	$ 362,703	$ 184,676	6.51
2009	12,392,418	8,339,188	4,053,230	362,703	182,803	7.43
2010	13,673,319	7,953,954	5,719,365	405,699	403,219	7.07
2011	13,454,038	8,490,428	4,963,610	1,421,994	767,306	2.27
2012	13,805,921	10,295,374	3,510,547	1,427,577	783,180	1.59
2013	14,355,943	11,841,284	2,514,659	1,459,821	743,771	1.14
2014	15,256,778	11,933,996	3,322,782	1,488,061	738,217	1.49
2015	16,422,771	15,749,124	673,647	1,509,723	766,065	0.30
2016	18,564,168	11,282,404	7,281,764	1,711,856	687,615	3.03
2017	20,199,200	13,982,956	6,216,244	1,740,826	718,050	2.53

CITY OF PUEBLO, COLORADO
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Fiscal Year	(1) Population	(2) Personal Income (in thousands)	(3) Per Capita Income	(4) Median Age	(5) Percentage of High School Graduates	(6) School Enrollment	(7) Unemployment Rate
2008	105,339	4,634,780	29,568	37.3	83.6	18,504	6.8%
2009	105,898	4,687,244	29,695	37.4	84.2	18,304	10.2%
2010	106,595	4,815,084	30,194	37.5	84.9	18,420	11.7%
2011	107,297	4,946,411	30,701	37.6	85.6	17,877	11.2%
2012	107,994	5,380,177	33,288	37.7	86.2	18,296	11.6%
2013	108,073	5,554,502	34,423	38.0	84.7	18,564	10.5%
2014	108,423	5,566,811	34,037	37.4	85.7	18,518	8.1%
2015	109,412	5,449,642	33,666	37.7	85.5	17,665	5.0%
2016	108,073	5,698,107	34,831	37.4	85.3	17,299	4.2%
2017	108,385	5,968,790	36,148	37.3	85.7	16,910	4.8%

Sources:

(1) 2006-2009: Colorado State Demography Office
2010: U.S. Census Bureau
2011: Colorado State Demography Office
2012: Extrapolation of 2010-2011 growth trend. 2012 estimates from Colorado State Demography Office not available.

(2) U. S. Bureau of Economic Analysis: Pueblo County (City of Pueblo only not available)
2012 is estimate, based on 2010-2011 growth rate

(3) U.S. Bureau of Economic Analysis: Pueblo County (City of Pueblo only not available)
2012 is estimate, based on 2010-2011 growth rate

(4) Estimates are interpolation and extrapolation of 2000 and 2010 Census data.

(5) Estimates are interpolation and extrapolation of 2000 Census data and 2010 American Community Survey data.

(6) Colorado Dept. of Education (derived from annual census of School District No. 60 schools)
http://www.cde.state.co.us/index_stats.htm

(7) U. S. Department of Labor, Bureau of Labor Statistics

CITY OF PUEBLO, COLORADO
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Employer	2017 Employees	2017 Rank	2017 Percentage of Total City Employment	2008 Employees	2008 Rank	2008 Percentage of Total City Employment
Parkview Hospital Medical Center	2,900	1	4.8%	1,974	2	3.4%
Pueblo City School (D60)	1,840	2	3.0%	2,000	1	3.5%
Colorado Mental Health CMHIP	1,200	3	2.0%	1,200	4	2.1%
Pueblo County	1,106	4	1.8%	1,117	5	2.0%
School District 70	1,101	5	1.8%	987	8	1.7%
Walmart*	1,035	6	1.7%	1,250	3	2.2%
Evraz Rocky Mountain Steel Mills	979	7	1.6%	1,000	7	1.7%
Vesta Towers America Inc	967	8	1.6%	0		0.0%
St Mary-Corwin Medical Center	934	9	1.5%	1,100	6	
City of Pueblo	733	10	1.2%			0.0%
Convergys				800	9	1.4%
Pueblo Community College				800	10	1.4%
Total	12,795		21.0%	12,228		21.4%
Pueblo County resident employment	60,978			57,248		

*Includes all stores and management in Pueblo County

*Includes Wal-Mart located in Pueblo West

SOURCE: Pueblo County; Pueblo Economic Development Corporation (PEDCO); U.S. Bureau of Labor Statistics for resident city total employment.

CITY OF PUEBLO, COLORADO
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
City manager's office	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Municipal court	9.00	9.00	9.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00
City clerk's office	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Human resources	6.00	6.00	6.00	6.00	7.00	7.00	7.00	6.00	6.00	6.00
Finance	18.00	18.00	18.00	18.00	18.00	18.00	18.00	20.00	20.00	22.00
Civil service	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Law		2.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	8.00
Information technology	14.75	14.75	15.75	15.75	15.75	15.75	15.75	16.00	18.00	18.00
Planning/comm dev	13.00	16.00	16.00	16.00	16.00	12.00	12.00	14.00	14.00	14.00
Land use	3.00	-	-	-	-	-				-
Purchasing	3.00	3.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Housing/comm svcs	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Fleet maintenance	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Police	264.00	264.00	266.00	266.00	268.00	271.00	271.00	273.00	274.00	299.50
Fire	137.00	137.00	143.00	143.00	143.00	140.00	140.00	140.00	140.00	145.00
Public works	76.00	78.00	75.00	75.00	74.00	74.00	74.00	74.00	74.00	72.00
Parks and recreation	36.75	38.75	37.75	37.75	38.00	38.00	38.00	38.00	39.00	39.50
Business-type activities:										
Wastewater utility	48.50	48.50	49.50	50.50	51.50	52.50	52.50	56.50	57.50	56.50
Stormwater utility	17.50	17.50	17.50	18.50	18.50	19.50	19.50	19.50	19.50	19.50
Memorial airport	11.00	11.00	11.00	11.00	11.00	12.00	12.00	12.00	12.00	12.00
Parking facilities	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Honor Farm properties	-	1.00	1.00	1.00	2.00	1.00	1.00	1.00	-	-
Total	687.50	694.50	703.50	705.50	709.75	707.75	709.75	720.00	723.00	754.00

Note 1: Includes permanent full and part-time positions only; temporary and seasonal employees are excluded.

CITY OF PUEBLO, COLORADO
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Number of arrests	8,682	4,328	3,833	3,739	3,671	3,758	3,981	4,257	4,530	4,656
Number of traffic violations	9,391	4,904	8,405	5,832	7,102	7,498	6,798	5,200	6,085	6,982
Number of parking violations	12,113	9,498	11,527	10,015	9,576	8,545	7,804	7,113	7,576	9,200
Fire										
Number of fire calls answered	4,621	5,434	4,667	4,698	4,797	5,246	5,708	6,651	7,183	2,265
Number of medical responses	9,875	9,236	10,790	11,656	11,894	12,921	14,113	15,367	16,596	14,765
Number of inspections	1,274	3,550	3,433	2,716	3,924	2,869	1,540	1,534	2,066	2,302
Parks and recreation										
Aquatics participants	- *	- *	51,630	54,013	45,449	34,381	40,093	42,808	37,075	46,445
Adult athletics participants	838	828	1,070	725	1,290	825	735	630	540	690
Youth athletics participants	3,419	3,568	2,411	2,047	1,764	1,581	1,883	1,941	1,627	1,487
Playground/Open gym participants	26,795	11,298	6,345	500	639	116	139	215	42	-
Tennis participants	3,002	3,170	2,958	3,095	152	1,025	892	296	381	295
Elmwood golf course										
Golf rounds played	72,643	64,664	62,476	64,059	64,398	26,898	25,078	26,701	59,952	59,347
Walkingstick golf course										
Golf rounds played	32,266	32,403	30,997	28,040	30,798	27,714	25,388	27,423	27,558	26,775
Wastewater utility										
Number of sanitary sewer service connections	37,485	37,537	37,537	37,976	37,595	37,595	37,524	37,819	37,958	37,976
Daily average wastewater treatment in gallons	11,300,000	10,600,000	10,600,000	10,200,000	10,136,000	10,136,000	10,136,000	11,740,000	11,640,000	11,360,000
Maximum daily wastewater treatment capacity in gallons	19,000,000	19,000,000	19,000,000	19,000,000	17,320,000	17,320,000	17,320,000	13,290,000	13,776,000	16,568,000
Memorial airport										
Enplanements	3,964	5,114	9,973	21,197	9,417	6,182	6,386	3,114	2,298	3,697
Air traffic control tower operations	151,332	159,923	182,119	156,466	165,876	146,807	142,524	170,865	168,563	176,595
Pueblo Transit										
Ridership	1,162,352	904,626	951,080	1,046,480	1,094,391	995,589	1,009,852	993,404	903,046	877,227
Number of days service operated	307	307	307	307	307	307	307	307	308	299
Parking facilities										
Parking permits sold	7,433	6,040	5,545	5,561	5,498	5,020	4,317	3,355	4,756	3,814

* Aquatics programs for years 2008 and 2009 were managed by a contracted entity

Sources: Various city departments.

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

CITY OF PUEBLO, COLORADO
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	97	97	91	98	97	102	73	68	64	62
Number of other police vehicles	123	123	111	106	106	96	125	125	140	148
Fire										
Number of stations	10	10	11	11	11	12	10	10	10	10
Public Works										
Miles of paved streets maintained	479	479	479	479	479	491	492	486	496	498
Miles of gravel streets maintained	6	6	6	6	6	6	6	6	6	6
Miles of alleys maintained	102	102	102	102	102	102	102	102	102	102
Parks and recreation										
Number of parks	80	56	56	127	127	127	127	127	127	127
Number of acres of parks	3,308	550	550	835	3,950	3,406	3,406	3,406	3,950	4,434
Number of playgrounds	43	46	46	46	47	47	47	47	47	47
Number of acres of playgrounds	22	24	24	24	24	24	24	24	24	24
Number of swimming pools	4	4	4	4	4	4	4	4	4	4
Number of tennis courts	21	21	21	21	27	27	27	27	27	27
Elmwood golf course										
Golf courses - 18 hole	1	1	1	1	1	1	1	1	1	1
Golf courses - 9 hole	1	1	1	1	1	1	1	1	1	1
Walkingstick golf course										
Golf courses - 18 hole	1	1	1	1	1	1	1	1	1	1
Wastewater utility										
Miles of sanitary sewers	480	472	468	466	467	467	468	468	464	464
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Stormwater utility										
Miles of storm sewers	114	115	116	116	117	118	118	118	118	119
Pueblo Transit										
Vehicles used in maximum service:										
Fixed Route	12	12	14	14	14	14	14	14	13	13
Citi-Lift	11	11	11	11	11	11	11	11	11	11

Sources: Various city departments.

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