

PUEBLO COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FOR THE YEAR ENDING
December 31, 2018**

PUEBLO COUNTY, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2018

Prepared By:
Office of Budget & Finance

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Pueblo County, Colorado

Year Ended December 31, 2018

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INTRODUCTORY SECTION

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PUEBLO COUNTY

C O L O R A D O

BOARD OF COUNTY COMMISSIONERS

Terry A. Hart
District 1

Garrison M. Ortiz
District 2

Sal Pace
District 3

September 17, 2019

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

The Comprehensive Annual Financial Report (CAFR) of Pueblo County for the year ended December 31, 2018 is hereby submitted as mandated by the State of Colorado. It is required that Pueblo County issue annually a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

Pueblo County's financial statements have been audited by McPherson, Goodrich, Paolucci & Mihelich, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Pueblo County for the fiscal year ended December 31, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements of each of Pueblo County's opinion units for the fiscal year ended December 31, 2018 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

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

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

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

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

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

Factors Affecting Financial Condition

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

Local Economy

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

Pueblo County's 2018 unemployment rate of 5.9% was higher than the State's average of 3.3% and higher than the U.S. average of 3.9%. Pueblo County's rate has historically been higher than the State & federal rate. The region's Economic Development Council views the unemployment rate as a selling point in their work toward attracting new employers to the region as there is a strong workforce readily available for work. The County is optimistic this rate will decrease in the short term. The region (which includes the government and the surrounding unincorporated area) has a labor force of 76,331 civilians.

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

Long-Term Financial Planning

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

Since 2010, attention has been directed at the many other improvements and replacements needed in the County's aging infrastructure. In May 2011, the commissioners acted to construct a new Judicial Complex building, needed to address increased usage of the courts and to better serve and protect witnesses and victims. This construction project was completed in 2014. Commissioners also acted to construct a new Emergency Operations Center, to address regional emergency management services needs, which was 100% funded by federal FEMA grant dollars and was completed in March 2014. Many roadway safety improvements and recreation facility improvements identified by working with the various communities in the County continued to be implemented in 2018. In August 2018, \$6 million in COPS were issued to begin the remodel of the old judicial building for the Human Services Department. This will give them a centralized location in a county building in the near future and eliminate the need to continue to lease space in various locations. In 2019, Pueblo County plans to acquire \$14 million in COPS financing to begin the first phase of various 1A community capital improvement projects that were approved by the voters in 2016.

Relevant Financial Policies

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

Library Debt Service Fund

In conformity with State statutory requirements, Pueblo County, on December 28, 1999, issued \$14,000,000 of general obligations bonds on behalf of the Pueblo Library District. The bond issue for library expansion was

approved by voters on November 2, 1999. The County's debt service on the twenty (20) year bonds will be provided by a property tax mill levy. During 2005, a portion of these bonds were advanced refunded resulting in an economic gain for the County. The expanded facility is the property of the Pueblo Library District which received voter approval in 2006 to 'DeBruce' exempting the District from State Amendment One TABOR limits.

Awards and Acknowledgements

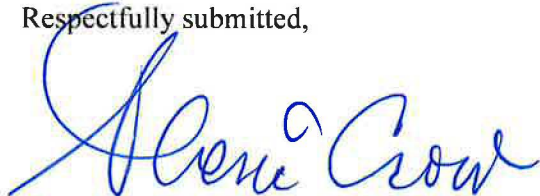
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pueblo County for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2017. This was the twentieth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

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

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

Respectfully submitted,



Sherri Crow, Interim Budget & Finance Director



Government Finance Officers Association

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

Presented to

**Pueblo County
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

**PUEBLO COUNTY, COLORADO
LISTING OF PRINCIPAL OFFICIALS
DECEMBER 2018**

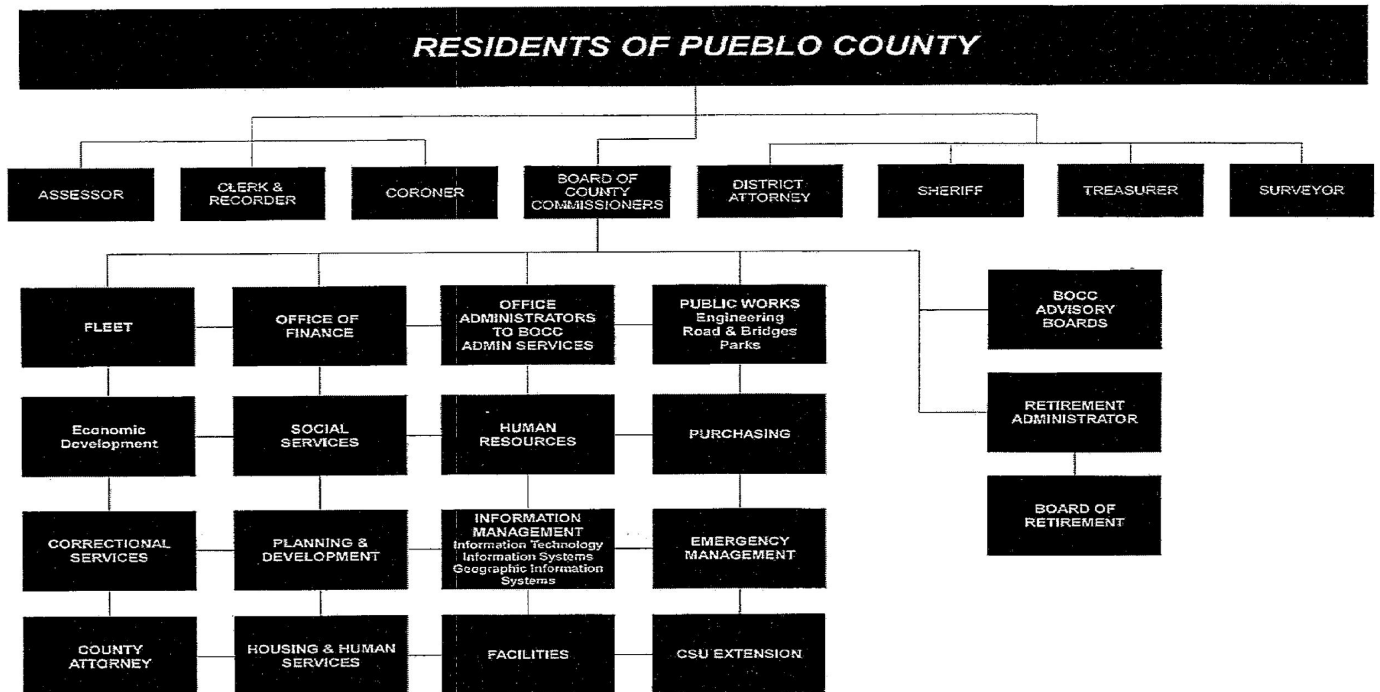
Elected Officials

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

Appointed Department Directors

County Attorney	Cynthia Mitchell
Human Resources	Patsy Cresswell
Office of Budget & Finance	Aimee Tihonovich
Information Technology	Ed Martinez
Purchasing	Anita Crain
Planning & Development	Joan Armstrong
Public Works	Alf Randall
Fleet Management	Michael Schloesser
Department of Emergency Management	Mark Mears
Department of Human Services	Tim Hart
CSU Extension	Michael Fisher
Economic Development	Chris Markuson

PUEBLO COUNTY GOVERNMENT ORGANIZATIONAL CHART



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FINANCIAL SECTION

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McPherson, Goodrich, Paolucci & Mihelich, PC

Tax/Consulting/Audit

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Pueblo County, Colorado
Pueblo, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pueblo County, Colorado (the County), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pueblo County, Colorado, as of December 31, 2018, 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.

Emphasis of Matter

As discussed in Note I subsection D to the basic financial statements, the County has changed its method for accounting and reporting for post-employment benefits other than pensions during 2018 due to the adoption of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The adoption of the standard required retrospective application resulting in a reduction of previously reported net position as disclosed in Note III subsection H. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and the budgetary comparison schedules, the schedule of changes in the County's net pension liability and related ratios, the schedule of the County's contributions to the Pueblo County Officers and Employees' Pension Plan, the schedule of the County's proportionate share of net pension liability, the schedule of contributions to the Colorado Public Employees' Retirement Association and the schedule of changes in the County's net OPEB liability and related ratios as listed in the table of contents on pages 96 through 105 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2019, on our consideration of Pueblo County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pueblo County, Colorado's internal control over financial reporting and compliance.

McPherson, Goodwin, Paulini & Mahesh, PC

September 17, 2019

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MANAGEMENT DISCUSSION AND ANALYSIS

As management of Pueblo County, we offer readers of Pueblo County's financial statements this narrative overview and analysis of the financial activities of Pueblo County for the fiscal year ended December 31, 2018. We encourage you to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee vacation leave).

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

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

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

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

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

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Pueblo County has four fiduciary funds, one of which is a pension trust fund and three of which are agency funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Pueblo County's own programs.

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. Total assets plus deferred outflows of resources of the County exceeded total liabilities plus deferred inflows of resources by \$62,901,034 as of December 31, 2018.

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

Included in the long term liabilities in the governmental activities category are general obligation library bonds with an outstanding balance of \$1,090,000. The library is owned by the Library District and thus is not part of the capital assets for the County.

An additional portion of the County's net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position may be used to meet the government's daily cash flow needs and ongoing obligations to citizens and creditors. However, the unrestricted balance is negative \$128,033,279; therefore, none may be used to meet the government's ongoing obligations to citizens and creditors. The results of 2018 activities of the Pueblo County primary government decreased net position by \$8,189,193.

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

Pueblo County's Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and Other Assets	\$ 118,202,693	\$ 108,729,554	\$ 890,178	\$ 944,270	\$ 119,092,871	\$ 109,673,824
Net Capital Assets	<u>216,357,408</u>	<u>220,969,641</u>	<u>4,970,080</u>	<u>4,985,644</u>	<u>221,327,488</u>	<u>225,955,285</u>
Total Assets	334,560,101	329,699,195	5,860,258	5,929,914	340,420,359	335,629,109
Deferred Outflows of Resources	<u>16,395,755</u>	<u>2,696,321</u>	<u>147,658</u>	<u>193,400</u>	<u>16,543,413</u>	<u>2,889,721</u>
Long-Term Liabilities	207,180,087	186,243,685	9,800,376	9,919,854	216,980,463	196,163,539
Other Liabilities	<u>12,843,890</u>	<u>10,429,810</u>	<u>21,741</u>	<u>36,212</u>	<u>12,865,631</u>	<u>10,466,022</u>
Total Liabilities	220,023,977	196,673,495	9,822,117	9,956,066	229,846,094	206,629,561
Deferred Inflows of Resources	<u>64,216,644</u>	<u>59,362,299</u>	<u>-</u>	<u>-</u>	<u>64,216,644</u>	<u>59,362,299</u>
Net Position						
Net Investment in Capital Assets	160,349,713	162,279,319	1,870,213	1,506,918	162,219,926	163,786,237
Restricted	28,714,387	8,847,326	-	-	28,714,387	8,847,326
Unrestricted	<u>(122,348,865)</u>	<u>(96,203,666)</u>	<u>(5,684,414)</u>	<u>(5,339,670)</u>	<u>(128,033,279)</u>	<u>(101,543,336)</u>
Total Net Position	<u>\$ 66,715,235</u>	<u>\$ 74,922,979</u>	<u>\$ (3,814,201)</u>	<u>\$ (3,832,752)</u>	<u>\$ 62,901,034</u>	<u>\$ 71,090,227</u>

Pueblo County's Change In Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program Revenues:						
Charges for Service	\$ 10,843,430	\$ 10,618,160	\$ 823,841	\$ 777,842	\$ 11,667,271	\$ 11,396,002
Operating Grants & Contributions	42,736,263	41,125,404	-	-	42,736,263	41,125,404
Capital Grants & Contributions	4,625,496	1,818,832	650	-	4,626,146	1,818,832
General Revenues:						
Property Taxes	52,909,426	49,947,819	-	-	52,909,426	49,947,819
Other Taxes	30,873,526	28,012,495	-	-	30,873,526	28,012,495
Unrestricted Investment Earnings	1,006,846	529,408	12,490	6,496	1,019,336	535,904
Other	867,384	595,941	-	-	867,384	595,941
Total Revenues	<u>143,862,371</u>	<u>132,648,059</u>	<u>836,981</u>	<u>784,338</u>	<u>144,699,352</u>	<u>133,432,397</u>
Expenses:						
General						
Government	40,550,529	36,302,907	-	-	40,550,529	36,302,907
Public Safety	42,618,614	38,528,835	-	-	42,618,614	38,528,835
Road & Bridge	14,819,483	14,579,150	-	-	14,819,483	14,579,150
Health, Welfare & Sanitation	36,547,205	36,771,889	-	-	36,547,205	36,771,889
Culture and Recreation	1,659,817	2,611,759	-	-	1,659,817	2,611,759
Conservation	1,046,080	1,011,769	-	-	1,046,080	1,011,769
Urban Redevelopment & Housing	1,793,611	1,684,841	-	-	1,793,611	1,684,841
Economic Development & Assistance	8,162,258	6,370,812	-	-	8,162,258	6,370,812
Interest on Long-Term Debt	4,515,020	4,585,609	-	-	4,515,020	4,585,609
Desert Hawk Golf Course	-	-	1,175,928	1,171,618	1,175,928	1,171,618
Total Expenses	<u>151,712,617</u>	<u>142,447,571</u>	<u>1,175,928</u>	<u>1,171,618</u>	<u>152,888,545</u>	<u>143,619,189</u>
Change in Net Position Before Transfers	(7,850,246)	(9,799,512)	(338,947)	(387,280)	(8,189,193)	(10,186,792)
Transfers	(357,498)	(349,989)	357,498	349,989	-	-
Change in Net Position	(8,207,744)	(10,149,501)	18,551	(37,291)	(8,189,193)	(10,186,792)
Net Position, Beginning, as restated	74,922,979	85,072,480	(3,832,752)	(3,795,461)	71,090,227	81,277,019
Net Position, Ending	<u>\$ 66,715,235</u>	<u>\$ 74,922,979</u>	<u>\$ (3,814,201)</u>	<u>\$ (3,832,752)</u>	<u>\$ 62,901,034</u>	<u>\$ 71,090,227</u>

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

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

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

Governmental Activities. Current and other assets increased \$9.5 million or 9% in 2018 from the prior year mainly due to a net overall increase to cash and investments of \$8 million. There was also a net increase in restricted cash and cash equivalents of \$1.4 million due to the COP issuance of \$6 million in August 2018 to complete the renovation of a building for the Department of Human Services offset by a decrease in the Road & Bridge restricted cash balance.

Net capital assets decreased \$4.6 million or 2.1% from the prior year due to depreciation exceeding the amount of new capital assets purchased.

Deferred outflows increased \$13.7 million mainly due to the change in pension related projected and actual investment earnings and actual and expected experience.

Liabilities increased \$23.4 million or 11.8% from the prior year due to a \$5.2 million increase in Certificates of Participation, GO Bonds & Capital Lease liabilities, a \$2.2 million increase in Net OPEB liability and a \$16.6 million increase in Net Pension liability.

Net position decreased \$8.0 million or 10.7% in the fiscal year as a result of governmental activities.

Business-Type Activities. Business-type activities increased the County's net position by \$18,551 in 2018. As mentioned previously, the business-type activity for the County is the Desert Hawk Golf Course. The golf course has not been profitable due to the debt service payments on the COPs that financed the purchase of the course. The General Fund does not transfer funds to the enterprise to support operating expenses but does contribute toward debt repayments.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Pueblo County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,135,747 while total fund balance was \$17,263,748. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 20% of General Fund expenditures in 2018 which is a decrease of 2% from 2017. General Fund fund balance decreased by \$414,887 in 2018.

Human Services fund balance increased by \$289,199 which is attributed to property tax revenues used as matching dollars for the various grant programs not being fully utilized in 2018.

Road and Bridge fund balance decreased by \$66,807, due mainly to increased usage of crushed gravel in 2018.

Fund balance in the Non-Major Governmental Funds increased by \$6,220,231 in 2018 as a result of several budgeted projects not being completed in 2018 which includes \$1 million in the Excise Tax Fund and \$5 million in the Capital Expenditures Fund. The funds to complete these projects have been rolled into the 2019 budget.

Budgetary Highlights. The County revised its 2018 budget after the fiscal year end as allowed by state statute. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

An amendment to the 2018 General Fund budget for \$3 million was made to cover \$994,000 for reclassification of a tax incentive payment, \$1 million in unanticipated grant awards, \$247,000 higher than expected employee health insurance costs, \$400,000 higher than anticipated medical costs for inmates, \$170,000 for an unexpected Workers Compensation claim and \$130,000 for various other items. The Capital Expenditures Fund budget was amended to increase the appropriation by \$2,025,000 to allow for carryover of 2017 unfinished projects and update the spending needs for remodeling of a building that is being renovated for the Human Services Department.

Proprietary Funds. Pueblo County's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Net Position of the Desert Hawk Golf Course at the end of the fiscal year amounted to an accumulated deficit of \$3,814,201. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

Capital Assets and Debt Administration

Capital Assets. Pueblo County's capital assets for its governmental and business-type activities at December 31, 2018 total \$216,357,408 and \$4,970,080 respectively (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, furniture, vehicles, and intangibles.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2018	2017	2018	2017	2018	2017
Nondepreciable	\$ 12,306,758	\$ 12,137,898	\$ 4,402,683	\$ 4,402,683	\$ 16,709,441	\$ 16,540,581
Buildings and						
Improvements	100,049,182	103,901,222	52,580	57,938	100,101,762	103,959,160
Machinery and Equipment	14,433,496	15,699,332	285,187	223,450	14,718,683	15,922,782
Improvements Other than						
Buildings	-	-	229,630	301,573	229,630	301,573
Infrastructure	72,762,645	74,484,974	-	-	72,762,645	74,484,974
Software Development	855,871	1,426,869	-	-	855,871	1,426,869
Construction in Progress	15,949,456	13,319,346	-	-	15,949,456	13,319,346
	<u>\$ 216,357,408</u>	<u>\$ 220,969,641</u>	<u>\$ 4,970,080</u>	<u>\$ 4,985,644</u>	<u>\$ 221,327,488</u>	<u>\$ 225,955,285</u>

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

Long-Term Debt. As of December 31, 2018, Pueblo County had debt outstanding of \$94 million comprised of \$1.1 million of general obligation bonds, \$92.4 million of COPs debt and \$.5 million of capital leases.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 1,103,227	\$ 2,164,079	\$ -	\$ -	\$ 1,103,227	\$ 2,164,079
Certificates of Participation	89,265,238	84,995,836	3,099,569	3,539,789	92,364,807	88,535,625
Subtotal	90,368,465	87,159,915	3,099,569	3,539,789	93,468,034	90,699,704
Capital Leases	329,285	451,905	147,961	132,337	477,246	584,242
Total Debt	<u>\$ 90,697,750</u>	<u>\$ 87,611,820</u>	<u>\$ 3,247,530</u>	<u>\$ 3,672,126</u>	<u>\$ 93,945,280</u>	<u>\$ 91,283,946</u>

The County's long-term debt financed by General Obligation Bonds, Certificates of Participation and Capital Leases increased by \$2,661,334 million or 3% during the period.

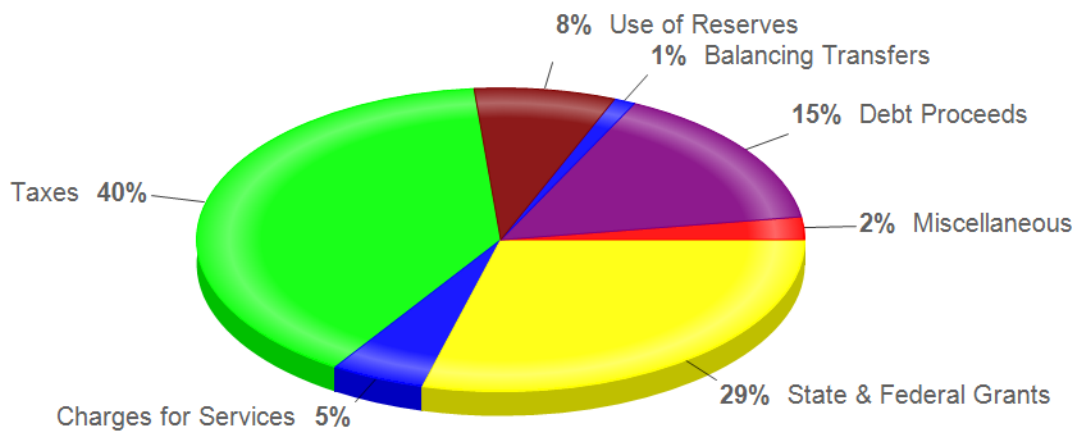
Colorado limits the amount of general obligation debt that a unit of government can issue to three percent of the total actual value of property located within that government's boundaries. The State debt limitation for Pueblo County is \$402,883,746. Since the library bonds debt, COPs and capital leases are excluded in the State calculation of debt subject to the statutory debt limit, there is no debt outstanding against this limit. Information on the County's long-term debt is in the notes to the financial statements starting on page 53.

Projections

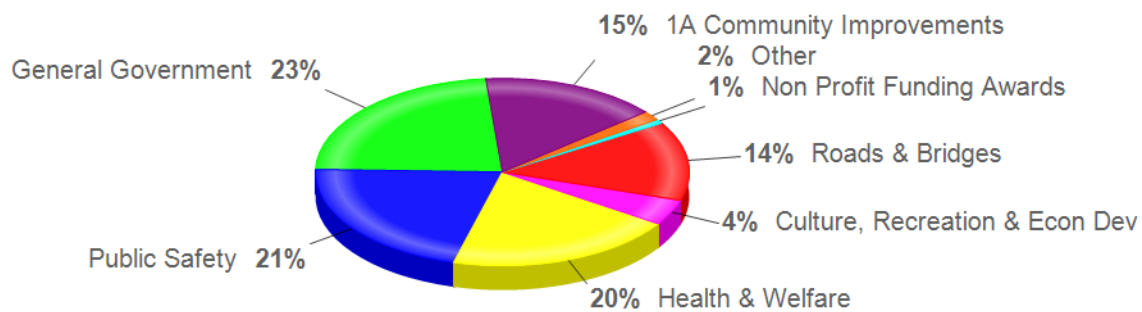
Next Year's Budget. The County's 2019 budget is balanced. The budgeted general fund balance for 2019 was \$15,614,138 and the 2019 budget anticipates spending \$2.3 million of these reserves to maintain current service levels. The county continues to adjust to the increased maintenance needs of 2 new buildings as well as making

debt service payments and it is anticipated that reserves will help support the county operations for another few years. The 2019 budget includes \$31,631,210 in a new Special Revenue fund created to track the activity related to 1A Community capital improvement projects that were approved by the voters in Ballot Question 1A on November 8, 2016. Pueblo County plans to acquire COPS financing for approximately \$14 million to begin the first phase of these community capital improvement projects that are ready to get started in 2019.

Revenues by Category



Expenditures by Category



Economic Factors Affecting Next Year’s Budget and Rates

The following economic factors were considered in preparing the 2019 budget.

- Denver-Aurora-Lakewood CPI rose 2.7% to 261.96 in 2018.
- Employment increased by 1.5% or 745 jobs versus a 2.8% increase for the State in 2018.

- The County's average unemployment rate in 2018 increased to 5.9% from 4.7% for the previous year. This is higher than the State and national average of 3.9%.
- The number of new single family dwelling permits issued in Pueblo County for the year stood at 408, compared to 268 for 2017. This translates into a 52% increase.
- Pueblo County Public Trustee data shows 330 foreclosure filings in 2018 or a 24.8% drop from the 412 filings reported for 2017.

Assigned fund balance in the General Fund ended the year at \$3,718,602 of which \$2,300,000 is included for spending in fiscal year 2019 budget. It is expected that the use of fund balance will avoid the need to raise taxes or reduce services in 2019.

Requests for Information

This financial report is designed to provide a general overview of Pueblo County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Sherri Crow, Interim Budget and Finance Director, 215 W 10th Street, Suite 217 Pueblo, CO 81003-2945 or emailed to sherri.crow@pueblounty.us.

BASIC FINANCIAL STATEMENTS

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PUEBLO COUNTY, COLORADO

STATEMENT OF NET POSITION

DECEMBER 31, 2018

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 557,216	\$ 10,017	\$ 567,233	\$ 287,295
Investments	41,975,194	11,284	41,986,478	79,366
Receivables, Net	64,862,339	3,715	64,866,054	103,932
Internal Balances, Net	212,715	(212,715)	-	-
Inventories	841,718	-	841,718	-
Prepaid Expenses	605,480	-	605,480	-
Unamortized Bond Insurance Costs	1,097,957	-	1,097,957	-
Restricted Cash and Cash Equivalents	8,050,074	620,877	8,670,951	-
Land Held for Development	-	457,000	457,000	-
Capital Assets:				
Land and Water Rights	11,901,088	4,402,683	16,303,771	-
Easements and Right-of-Ways	405,670	-	405,670	-
Construction in Progress	15,949,456	-	15,949,456	-
Non-Depreciable Capital Assets	28,256,214	4,402,683	32,658,897	-
Buildings and Improvements	100,049,182	52,580	100,101,762	-
Machinery and Equipment	14,433,496	285,187	14,718,683	34,877
Improvements other than Buildings	-	229,630	229,630	-
Infrastructure	72,762,645	-	72,762,645	-
Software Development	855,871	-	855,871	-
Depreciable Capital Assets, Net	188,101,194	567,397	188,668,591	34,877
Total Capital Assets, Net	216,357,408	4,970,080	221,327,488	34,877
TOTAL ASSETS	334,560,101	5,860,258	340,420,359	505,470
Deferred Outflows of Resources	16,395,755	147,658	16,543,413	-
LIABILITIES				
Accounts Payable and Accrued Expenses	7,272,621	15,726	7,288,347	14,300
Due to Other Governmental Agencies	880,379	-	880,379	174,341
Advances from Others	4,690,890	6,015	4,696,905	-
Liabilities Due or Payable in One-Year or Less:				
Accrued Interest	1,344,833	12,380	1,357,213	-
General Obligation Bonds	1,103,227	-	1,103,227	-
Certificates of Participation	2,395,000	465,000	2,860,000	-
Capital Leases	127,710	57,705	185,415	-
Compensated Absences	849,663	-	849,663	-
Estimated Claims and Judgments	505,242	-	505,242	-
Liabilities Due or Payable after One-Year:				
Certificates of Participation, Net	86,870,238	2,634,569	89,504,807	-
Capital Lease	201,575	90,256	291,831	-
Advances from Other Government	-	6,540,466	6,540,466	-
Compensated Absences	7,646,967	-	7,646,967	-
Net OPEB Liability	6,913,452	-	6,913,452	-
Net Pension Liability	99,222,180	-	99,222,180	-
TOTAL LIABILITIES	220,023,977	9,822,117	229,846,094	188,641
Deferred Inflows of Resources	64,216,644	-	64,216,644	-
NET POSITION				
Net Investment in Capital Assets	160,349,713	1,870,213	162,219,926	34,877
Restricted for:				
TABOR	3,000,000	-	3,000,000	-
Capital Projects	11,050,004	-	11,050,004	-
Other	14,664,383	-	14,664,383	-
Unrestricted	(122,348,865)	(5,684,414)	(128,033,279)	281,952
TOTAL NET POSITION	\$ 66,715,235	\$ (3,814,201)	\$ 62,901,034	\$ 316,829

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

Function/Program Activities:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 40,550,529	\$ 6,709,839	\$ 1,336,812	\$ (28,817)
Public Safety	42,618,614	2,750,846	5,316,688	2,437,329
Road and Bridge	14,819,483	282,774	6,039,179	1,776,057
Health, Welfare and Sanitation	36,547,205	5,101	28,128,112	-
Culture and Recreation	1,659,817	81,475	-	440,927
Conservation	1,046,080	116,164	319,443	-
Urban Redevelopment and Housing	1,793,611	20,431	1,543,120	-
Economic Development and Assistance	8,162,258	876,800	52,909	-
Interest on Long-Term Debt	4,515,020	-	-	-
Total Governmental Activities	<u>151,712,617</u>	<u>10,843,430</u>	<u>42,736,263</u>	<u>4,625,496</u>
Business-Type Activities				
Desert Hawk Golf Course	<u>1,175,928</u>	<u>823,841</u>	<u>-</u>	<u>650</u>
Total Primary Government	<u>152,888,545</u>	<u>11,667,271</u>	<u>42,736,263</u>	<u>4,626,146</u>
Component Units				
Emergency Telephone Service Authority	684,204	628,412	-	-
Runyon Sports Complex Commission, Inc.	<u>859,444</u>	<u>672,215</u>	<u>111,400</u>	<u>-</u>
Total Component Units	<u>\$ 1,543,648</u>	<u>\$ 1,300,627</u>	<u>\$ 111,400</u>	<u>\$ -</u>

General Revenues

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

TRANSFERS

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

The accompanying notes are an integral part of this statement.

Net (Expenses) Revenue and
Changes in Net Position

Primary Government		Totals	Component Units
Governmental Activities	Business-Type Activities		
\$ (32,532,695)	\$ -	\$ (32,532,695)	\$ -
(32,113,751)	-	(32,113,751)	-
(6,721,473)	-	(6,721,473)	-
(8,413,992)	-	(8,413,992)	-
(1,137,415)	-	(1,137,415)	-
(610,473)	-	(610,473)	-
(230,060)	-	(230,060)	-
(7,232,549)	-	(7,232,549)	-
(4,515,020)	-	(4,515,020)	-
<u>(93,507,428)</u>	<u>-</u>	<u>(93,507,428)</u>	<u>-</u>
-	(351,437)	(351,437)	-
<u>(93,507,428)</u>	<u>(351,437)</u>	<u>(93,858,865)</u>	<u>-</u>
-	-	-	(55,792)
-	-	-	(75,829)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (131,621)</u>
\$ 51,771,743	\$ -	\$ 51,771,743	\$ -
1,137,683	-	1,137,683	-
1,987,408	-	1,987,408	-
23,624,941	-	23,624,941	-
5,261,177	-	5,261,177	-
1,006,846	12,490	1,019,336	4,184
867,384	-	867,384	-
(357,498)	357,498	-	-
85,299,684	369,988	85,669,672	4,184
(8,207,744)	18,551	(8,189,193)	(127,437)
74,922,979	(3,832,752)	71,090,227	444,266
<u>\$ 66,715,235</u>	<u>\$ (3,814,201)</u>	<u>\$ 62,901,034</u>	<u>\$ 316,829</u>

PUEBLO COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General Fund	Human Services	Road and Bridge	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 543,592	\$ 13,324	\$ 100	\$ 200	\$ 557,216
Investments	18,233,689	7,745,224	8,847,911	7,148,370	41,975,194
Receivables, Net:					
Taxes	44,153,223	5,120,986	2,413,294	4,878,673	56,566,176
Grants	1,346,843	71,263	341,453	719,624	2,479,183
Notes	245,364	-	-	368,227	613,591
Interest	123,638	-	-	-	123,638
Other Governments	37,510	2,461,093	77	145	2,498,825
Other Agencies	174,341	-	-	1,400,000	1,574,341
Other	994,346	99	-	12,140	1,006,585
Inventories	130,610	-	531,408	179,700	841,718
Due from Other Funds	427,956	-	250	605,612	1,033,818
Prepaid Items	390,475	211,879	3,126	-	605,480
Cash and Cash Equivalents - Restricted	-	-	2,074,085	5,975,989	8,050,074
Advances to Other Funds	395,000	-	-	-	395,000
TOTAL ASSETS	67,196,587	15,623,868	14,211,704	21,288,680	118,320,839
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	3,247,123	479,588	413,156	2,105,883	6,245,750
Payable from Debt Proceeds	-	-	-	825,716	825,716
Due to Other Governments	-	880,379	-	-	880,379
Due to Other Funds	473,172	160,735	120,120	67,076	821,103
Advances from Others	4,690,890	-	-	-	4,690,890
Other Accrued Liabilities	153,647	22,195	22,726	2,587	201,155
Advance from Other Funds	-	-	-	395,000	395,000
TOTAL LIABILITIES	8,564,832	1,542,897	556,002	3,396,262	14,059,993
DEFERRED INFLOWS OF RESOURCES	41,368,007	11,274,817	1,673,872	4,731,902	59,048,598
FUND BALANCES					
Nonspendable	1,161,450	-	-	-	1,161,450
Restricted	3,247,949	2,806,154	11,981,830	10,678,454	28,714,387
Assigned	3,718,602	-	-	2,482,062	6,200,664
Unassigned	9,135,747	-	-	-	9,135,747
TOTAL FUND BALANCES	17,263,748	2,806,154	11,981,830	13,160,516	45,212,248
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 67,196,587	\$ 15,623,868	\$ 14,211,704	\$ 21,288,680	\$ 118,320,839

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 45,212,248

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

Unamortized Bond Insurance Costs 1,097,957

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

The cost of capital assets is	397,642,226	
Accumulated depreciation is	<u>(181,284,818)</u>	216,357,408

Deferred outflows of resources, reported as deferred amounts on refunding and pension related deferred outflows of resources, are not financial resources and thus are not reported as assets in the governmental funds.	16,395,755
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of the following obligations:

General Obligation Bonds Payable	(1,103,227)	
Certificates of Participation Payable	(89,265,238)	
Accrued Interest on Bonds and Certificates of Participation Payable	(1,344,833)	
Capital Leases Payable	(329,285)	
Compensated Absences	(8,496,630)	
Claims and Judgments	(505,242)	
OPEB Obligation	(6,913,452)	
Net Pension Liability	<u>(99,222,180)</u>	<u>(207,180,087)</u>

Deferred inflows of resources for amounts not received within the availability period are not reported as revenue in the governmental funds.

	(5,168,046)	
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u><u>\$ 66,715,235</u></u>

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018

	General Fund	Human Services	Road and Bridge	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property Taxes, Net	\$ 42,349,464	\$ 4,283,316	\$ 1,623,912	\$ 4,652,734	\$ 52,909,426
Specific Ownership Taxes	4,316,179	433,736	161,559	349,703	5,261,177
Sales and Use Taxes	20,018,520	-	2,845,196	761,225	23,624,941
Excise Taxes	-	-	-	1,987,408	1,987,408
Fees and Fines	65,883	-	-	-	65,883
Licenses and Permits	1,590,780	-	4,375	-	1,595,155
Intergovernmental	9,190,878	24,904,430	383,511	4,981,249	39,460,068
State Highway Users Tax	-	-	5,861,412	-	5,861,412
Charges for Services	8,627,722	5,101	278,399	271,170	9,182,392
Investment Earnings	849,831	-	107,020	49,995	1,006,846
Contributions and Private Grants	330,517	-	-	80,640	411,157
Other Revenues	175,348	3,202	14,785	613,963	807,298
TOTAL REVENUES	87,515,122	29,629,785	11,280,169	13,748,087	142,173,163
EXPENDITURES					
Current:					
General Government	32,819,652	-	-	3,136,204	35,955,856
Public Safety	34,545,781	-	-	207,040	34,752,821
Highways and Streets	-	-	6,706,662	-	6,706,662
Health and Welfare	338,364	28,914,773	-	4,511,350	33,764,487
Culture and Recreation	1,054,013	-	-	304,187	1,358,200
Urban Development and Housing	37,060	-	-	1,674,292	1,711,352
Conservation	979,976	-	-	-	979,976
Economic Development Assistance	7,582,992	-	-	536,450	8,119,442
Intergovernmental	20,058	-	2,089,006	-	2,109,064
Debt Service:					
Principal Retirement	1,922,620	-	-	1,045,000	2,967,620
Interest and Fiscal Charges	4,380,766	-	-	290,148	4,670,914
Capital Outlay	3,713,884	56,542	2,751,308	2,428,993	8,950,727
TOTAL EXPENDITURES	87,395,166	28,971,315	11,546,976	14,133,664	142,047,121
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	119,956	658,470	(266,807)	(385,577)	126,042
OTHER FINANCING SOURCES (USES)					
Issuance of Certificates of Participation	-	-	-	6,199,107	6,199,107
Insurance Proceeds	60,085	-	-	-	60,085
Transfers In	379,308	-	200,000	1,032,020	1,611,328
Transfers Out	(974,236)	(369,271)	-	(625,319)	(1,968,826)
TOTAL OTHER FINANCING SOURCES (USES)	(534,843)	(369,271)	200,000	6,605,808	5,901,694
NET CHANGE IN FUND BALANCES	(414,887)	289,199	(66,807)	6,220,231	6,027,736
FUND BALANCES, January 1	17,678,635	2,516,955	12,048,637	6,940,285	39,184,512
FUND BALANCES - December 31	\$ 17,263,748	\$ 2,806,154	\$ 11,981,830	\$ 13,160,516	\$ 45,212,248

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

Net Change in Fund Balance - Total Governmental Funds \$ 6,027,736

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

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

Cost of Assets Capitalized \$	6,257,091	
Depreciation Expense	<u>(12,423,963)</u>	(6,166,872)

In the statement of activities, donations of capital assets are reported as program revenues. However, these do not represent a current financial resource, so are not reported in the funds.	1,583,456
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In the statement of activities, the loss on the disposition of capital assets is reported. The loss is not a use of current resources and thus is not reported in the funds. The loss on disposal of capital assets is calculated as follows:

Cost of Assets Disposed	(590,521)	
Accumulated Depreciation of Assets Disposed	<u>561,704</u>	(28,817)

Certain revenue was earned and accrued in the statement of net position, but has been deferred in the governmental funds balance sheet.	74,482
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In the statement of activities, certain operating expenses such as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount actually paid. This year, compensated absences paid ((836,535)) was less than the amounts earned (939,645).	(103,111)
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Some expenses (estimated claims and judgments) reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	1,141,156
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Recognition and measurement of the changes in the net other post-employment benefit (OPEB) liability, together with OPEB-related deferred outflows 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 the governmental funds.	(513,576)
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Recognition and measurement of the changes in the net pension 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 the governmental funds.	(7,005,404)
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The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES, Continued
YEAR ENDED DECEMBER 31, 2018

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

Issuance of General Obligation Bonds	(6,035,000)	
Original Issue Discount and Insurance Costs on Issuance of COPs	(122,659)	
Principal Paid on General Obligation Bonds, COPs and Capital Leases	2,967,620	
Interest Expense on General Obligation Bonds, COPs and Capital Leases	(42,583)	
Amortization of Bond Insurance Costs, Discounts and Premiums	<u>15,828</u>	<u>(3,216,794)</u>
Change in Net Position of Governmental Activities		<u>\$ (8,207,744)</u>

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2018

	Enterprise Fund Desert Hawk Golf Course
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 10,017
Investments	11,284
Accounts Receivable	3,715
TOTAL CURRENT ASSETS	25,016
NONCURRENT ASSETS	
Capital Assets -	
Land	4,402,683
Buildings	362,041
Improvements	1,493,720
Machinery and Equipment	1,089,046
Accumulated Depreciation	(2,377,410)
TOTAL CAPITAL ASSETS	4,970,080
Other Assets -	
Cash and Equivalents, Restricted for Debt Service	620,877
Land Held for Development	457,000
TOTAL OTHER ASSETS	1,077,877
TOTAL NONCURRENT ASSETS	6,047,957
TOTAL ASSETS	6,072,973
DEFERRED OUTFLOWS OF RESOURCES	147,658
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	15,726
Due to Other Funds	212,715
Accrued Interest Payable	12,380
Certificates of Participation Payable	465,000
Short Term Capital Lease Obligation	57,705
Advances from Others	6,015
TOTAL CURRENT LIABILITIES	769,541
LONG-TERM LIABILITIES	
Certificates of Participation Payable, Net	2,634,569
Long-Term Capital Lease Payable	90,256
Advance on Purchase Option from Other Government	457,000
Advance on Water Payments	1,279,813
Loan Payable to Other Government	4,803,653
TOTAL LONG-TERM LIABILITIES	9,265,291
TOTAL LIABILITIES	10,034,832
NET POSITION	
Net Investment in Capital Assets	1,870,213
Unrestricted (Deficit)	(5,684,414)
TOTAL NET POSITION (DEFICIT)	\$ (3,814,201)

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2018

	Enterprise Funds Desert Hawk Golf Course
OPERATING REVENUE	
Charges for Services	\$ 823,841
TOTAL OPERATING REVENUE	<u>823,841</u>
OPERATING EXPENSES	
Personnel Services	33,834
Contract Fees	365,791
Supplies	161,194
Professional Services	20,821
Insurance	11,559
Repair and Maintenance	37,397
Depreciation	110,592
Utilities and Communications	205,734
Equipment Rent	4,586
Sales Taxes	55
TOTAL OPERATING EXPENSES	<u>951,563</u>
OPERATING INCOME (LOSS)	<u>(127,722)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment Earnings	12,490
Interest and Fiscal Charges	(224,365)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(211,875)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	<u>(339,597)</u>
Capital Contributions	650
Transfers In	<u>357,498</u>
CHANGE IN NET POSITION	18,551
NET POSITION (DEFICIT) JANUARY 1	<u>(3,832,752)</u>
NET POSITION (DEFICIT) DECEMBER 31	<u><u>\$ (3,814,201)</u></u>

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2018

	Enterprise Fund Desert Hawk Golf Course
Cash Flows from Operating Activities	
Receipts from Customers	\$ 827,792
Payments to Suppliers for Goods and Services	(818,928)
Payments to Employees	(33,634)
Net Cash Used by Operating Activities	<u>(24,770)</u>
Cash Flows from Non-Capital Financing Activities	
Transfers In	357,498
Advances from Other Governments	306,788
Net Cash Provided by Noncapital Financing Activities	<u>664,286</u>
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Certificates of Participation	(445,000)
Issuance of Capital Leases	72,804
Principal Paid on Capital Leases	(57,180)
Interest and Fiscal Charges	(175,513)
Acquisition of Capital Assets	(95,028)
Capital Contributions	650
Net Cash Used by Capital and Related Financing Activities	<u>(699,267)</u>
Cash Flows from Investing Activities	
Interest	12,490
Purchase of Investments	(11,284)
Net Cash Provided by Investing Activities	<u>1,206</u>
Net Decrease in Cash and Cash Equivalents	(58,545)
Cash and Cash Equivalents at Beginning of Year	<u>689,439</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 630,894</u></u>
 Displayed as:	
Cash and Cash Equivalents	\$ 10,017
Cash and Cash Equivalents, Restricted for Debt Service	620,877
	<u><u>\$ 630,894</u></u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ (127,722)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	110,592
Change in Assets and Liabilities -	
Accounts Receivable	6,831
Accounts Payable and Accrued Expenses	(11,591)
Advances from Others	(2,880)
Net Cash Used by Operating Activities	<u><u>\$ (24,770)</u></u>

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 2,758,173	\$ 4,144,973
Receivables, Net	716,629	1,437,236
Receivables, Interest and Dividends	4,861	-
Investments:		
Investment Contracts	13,518,673	-
Publicly Traded Partnerships	24,071,145	-
Equity Mutual Funds	69,290,143	-
Fixed Income Securities	9,308,215	-
Other Equity Securities	12,518,124	-
	<u>132,185,963</u>	<u>5,582,209</u>
TOTAL ASSETS		
	<u>132,185,963</u>	<u>5,582,209</u>
LIABILITIES		
Accounts Payable	279,550	-
Due to Other Governments	-	5,142,682
Due to Developers	-	431,024
Due to Victims and Insurance Companies	-	8,503
Other Payables	29,513	-
	<u>309,063</u>	<u>\$ 5,582,209</u>
TOTAL LIABILITIES		
	<u>309,063</u>	<u>\$ 5,582,209</u>
NET POSITION		
Restricted for Plan Benefits	<u>\$ 131,876,900</u>	

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2018

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 4,312,725
Plan Members	4,312,725
Total Contributions	<u>8,625,450</u>
Investment Earnings:	
Net Appreciation (Depreciation) in Fair Value of Investments	(6,740,303)
Interest and Dividends	<u>2,224,914</u>
Total Investment Income	(4,515,389)
Investment Activity Expense	<u>(113,105)</u>
Net Investment Earnings	<u>(4,628,494)</u>
 TOTAL ADDITIONS	 <u>3,996,956</u>
DEDUCTIONS	
Benefit Payments:	
Retirement Benefits	12,296,218
Refunds of Contributions	<u>953,597</u>
Total Benefit Payments	<u>13,249,815</u>
 Administrative Expenses:	
Administrative Costs	<u>248,577</u>
Total Administrative Expenses	<u>248,577</u>
 TOTAL DEDUCTIONS	 <u>13,498,392</u>
 CHANGE IN NET POSITION	 (9,501,436)
 NET POSITION RESTRICTED FOR PLAN BENEFITS	
AT BEGINNING OF YEAR	<u>141,378,336</u>
 NET POSITION RESTRICTED FOR PLAN BENEFITS	
AT END OF YEAR	<u><u>\$ 131,876,900</u></u>

The accompanying notes are an integral part of this statement.

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NOTES TO FINANCIAL STATEMENTS

PUEBLO COUNTY, COLORADO
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PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE A - REPORTING ENTITY

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

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

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

Blended Component Units

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

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE A - REPORTING ENTITY, Continued

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

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

Discretely Presented Component Units

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

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE A - REPORTING ENTITY, Continued

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

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

NOTE B - GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except the availability period is considered 120 days for the County's government-mandated non-exchange transactions that are generally classified as expenditure-driven grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds while proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales and use taxes, specific ownership taxes, excise taxes, state-shared taxes, grant and

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

entitlement revenues, interest and charges for services are considered revenues susceptible to accrual and have been recognized as revenues of the current fiscal period. Other receipts, fines, licenses, and permits are not susceptible to accrual because they are not generally measurable until received in cash. Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

The County reports the following major governmental funds:

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

The County reports the following major proprietary fund:

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Additionally, the County reports the following fund types:

Governmental Funds:

- ***Special revenue funds*** are used to account for revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects. Such funds are established when required by statute, resolution, or executive decision to finance particular functions or activities. The other special revenue funds are:
 - Employee Retirement
 - Board of Developmental Disability
 - Pueblo County Housing
 - Conservation Trust
 - Department of Aging Services
 - Housing and Human Services
 - Excise Tax
 - Detention Commissary
 - Subdivision Park Site Fee
 - Fire Hydrant Impact Fee
- ***Capital projects funds*** are used to account and report financial resources that are restricted, committed or assigned to expenditures for capital outlay (other than those financed by business-type/proprietary funds). The Capital Projects Fund and the Capital Expenditure Fund are other non-major capital projects funds of the County.
- ***Debt service funds*** are used to account and report financial resources that are restricted, committed or assigned to expenditures of general long-term debt principal and interest on general obligation debt. The County reports the following debt service fund:
 - ***Library Debt Service Fund*** accounts for the accumulation of ad valorem property taxes and the payment of principal and interest on Pueblo County general obligation refunding bonds series 2005 issue of \$9,645,000.

Fiduciary Funds:

- ***Pension Trust Fund*** accounts for the activities of the Pueblo County Officers and Employees Pension Plan, (the Plan). The Plan accumulates resources for the benefit of qualified employees. The Plan issued a standalone plan financial report for the year ended December 31, 2018, which can be obtained by contacting the Plan administrator at 215 W. 10th Street, Pueblo, Colorado 81003.
- ***Agency funds*** account for assets held for other governments or individuals in an agency capacity. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds are accounted for using the accrual basis of accounting. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The County's agency funds account for (1) the collection

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

of property taxes billed and collected by the County on behalf of other taxing entities; (2) deposits collected from land developers pertaining to current land development projects; (3) the collection of monetary restitution damages from defendants and the payment to victims of crimes; and (4) contributions made to the Enterprise Zone administrator paid to various not-for-profit organizations.

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

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

NOTE D - NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, in June 2016. The objective of GASB 75 is to improve accounting and financial reporting for postemployment benefits other than pensions (OPEB) and to improve information provided about financial support for OPEB provided by other entities. The County adopted the provisions of this statement as of and for the year ended December 31, 2018.

NOTE E - ASSETS, LIABILITIES AND NET POSITION/EQUITY

1. Pooled Cash and Investments. The Pueblo County Treasurer maintains an investment pool of most of the cash resources, including cash resources of the Pueblo County Emergency Telephone Service Authority, a discretely-presented component unit. State statutes specify investment instruments in which the County may invest and require that public deposits be placed only in eligible public depositories in Colorado. Investments are reported at fair value and all investment revenue, including changes in the fair value of investments, is reported as revenue in the statements of revenues, expenditures and changes in fund balance. Available cash is invested temporarily in certificates of deposits, money market accounts or other highly liquid investments. Each funds' portion of this pool is reported as cash and cash equivalents while accrued interest receivable is displayed separately. The amount of interest earned from secured investments is credited to the General Fund based on Colorado state statutes, except for the department of aging services, subdivision park site fee and fire hydrant impact fee special revenue funds. In addition, because the treasury pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

equivalent.

The U.S. treasury notes, agency securities and negotiable certificates of deposit represent the County's investments that are reported at fair value. Fair value has been estimated based on quoted market price. The remaining investments, reported as cash and cash equivalents, are the Colorado Liquid Asset Trust (Colo Trust) that is reported at fair value and the Colorado Surplus Asset Fund Trust (C-Safe) and the Colorado Statewide Investment Program (CSIP) investment pools that are reported at amortized cost as allowed under GAAP. Both investment pools are external investment pools that are not registered with the SEC as investment companies, but each pool has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than market value in computing share prices if certain conditions are met. The regulatory oversight for both investment pools rests with the Colorado Securities Commission and the fair value of the County's investments in each pool is the same as the value of the respective pool's shares.

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

3. Property Taxes. Property taxes were levied on December 20, 2018, based on the assessed value of property as certified by the County Assessor by the previous December 15, and attach as an enforceable lien on January 1 of the following year. Assessed values are a percentage of actual values. A reevaluation of all property must be made every two years. The last reevaluation date was January 1, 2018 for January 1, 2015 through June 30, 2016 as specified by State law.

The taxes levied on December 20, 2018 reflect 2018 property taxes that will be collected in 2019. The County collects its own property taxes and the property taxes for other taxing entities within the County. The collection and remittance of taxes for other taxing entities are accounted for in an agency fund. Property taxes receivable is reduced by an allowance for uncollectible taxes. Property taxes are due and considered earned on January 2 following the year levied and may be paid in two installments (February 28 and June 15) or they may be paid in full on or before April 30. Taxes not paid in accordance with this schedule accrue interest and penalty charges and are subject to liens if not paid by November.

4. Interfund Receivables/Payables. During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. In the fund financial statements, these receivables and payables are classified as due from other funds or due to other funds. Lending or borrowing arrangements outstanding at the end of the fiscal year are reflected as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans).

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

6. Restricted assets. Restricted assets include cash and cash equivalents of \$2,047,085 in the road and bridge fund that represent funds received from Colorado Springs Utilities that shall only be used for roads and bridges in connection with specific land use projects and \$5,781,281 in the capital projects fund that represent unspent bond and capital lease proceeds. Cash and cash equivalents of \$620,877 in the proprietary fund are also legally restricted as to their use based upon the respective bond indenture.

7. Capital Assets. Capital assets, which include land, construction in progress, buildings and improvements, machinery and equipment, intangibles, and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of \$5,000 (\$50,000 for buildings and infrastructure) for governmental funds, \$500 for component units and the proprietary fund and a useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquired value at the date of donation. The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend asset lives is not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the year ended December 31, 2018.

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

<u>Assets</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings and Improvements	5-165 years	10-30 years
Machinery and Equipment	5-10 years	3-10 years
Improvements Other Than Buildings	N/A	5-20 years
Infrastructure - Bridges	50 years	N/A
Infrastructure - Roads	20-40 years	N/A
Infrastructure - Drainage Improvements	30 years	N/A
Intangibles - Software Development	5 years	N/A

8. Compensated Absences. It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees are allowed to accumulate vacation benefits up to predetermined

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

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

9. Accrued Liabilities and Long-Term Obligations. In the government-wide financial statements and the fund financial statements for the proprietary fund, all long-term debt and other similar long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts, as well as bond insurance costs, if any, are deferred and amortized over the life of the obligations using the interest method.

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

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

- Nonspendable – includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories, prepaid items and long-term notes receivable and fund advances.
- Restricted – includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation.
- Committed – includes amounts that can only be used for the specific purposes determined by the passage of a resolution of the Board of County Commissioners. Commitments may be modified or changed only by the Board of County Commissioners approving a new resolution.
- Assigned – includes amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Intent is expressed by the Director of Budget and Finance or his/her designee to which the assigned amounts are to be used for specific purposes. Assigned amounts include appropriations of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget and limitations of existing fund balance resulting from intended use.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

- Unassigned – includes amounts that do not meet any of the above criteria. The County reports positive unassigned fund balances only in the General Fund and negative unassigned fund balances, if any, may be reported in all funds.

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

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

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

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

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

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

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE F - RETIREMENT PLANS

1. Pueblo County Retirement Plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Pueblo County Officers and Employees Pension Plan (the Plan) have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Public Employees' Retirement Association of Colorado ("PERA"). Pueblo County participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis as they are reported by PERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200 *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. As these changes to plan provisions were not in effect at the end of 2018, a detailed summary of the changes required by SB 18-200 has been disclosed as a subsequent event in the Pension Note.

NOTE G - OTHER POST EMPLOYMENT BENEFITS (OPEB)

OTHER POST EMPLOYMENT BENEFITS (OPEB) The Pueblo County Retiree Health and Life Insurance Plan (OPEB) is a single employer, defined benefit plan, the cost of which is provided by the County. The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined using the economic resources measurement focus and the accrual basis of accounting.

II-STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

NOTE A - BUDGETS AND BUDGETARY ACCOUNTING

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

II - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, Continued

NOTE A - BUDGETS AND BUDGETARY ACCOUNTING, Continued

Budgets are required by law for all funds. Prior to October 15, the budget director submits to the Commissioners a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board of County Commissioners to obtain taxpayer comments. Prior to December 15, the expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution.

NOTE B - LEGAL COMPLIANCE - BUDGETS

1. Expenditures may not legally exceed appropriations at the fund level. Management may at any time transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same fund or agency. The Board of County Commissioners may, by resolution and public notice, transfer any unencumbered appropriation balance or portion thereof from one fund or agency to another fund or agency. The Commissioners may amend the original adopted budget during the year by passing a new resolution to reflect current needs, and during 2018, the expenditure estimates were amended for certain funds and agencies. These amendments were made in accordance with state statutes.
2. All budgets adopted by the Commissioners, including the proprietary fund type, use the current financial resources measurement basis and modified accrual basis of accounting.
3. Budgeted amounts reported in the required supplementary information are as originally adopted and as amended by the Board of County Commissioners. All appropriations lapse at year end.

For each adopted annual operating budget, the legal level of budgetary control exists at the total fund level. That is to say, total expenditures for each fund cannot legally exceed total appropriations for that fund. Management cannot amend the adopted budget but must request that the Board of County Commissioners transfer amounts between funds or adopt supplemental appropriations when the need arises.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS

NOTE A - CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Cash and Cash Equivalents

Held by County Treasurer

Cash and Cash Equivalents On Hand	\$ 485,409
Demand Deposits	778,851
Investment Pools	2,872,211
Pueblo County Emergency Telephone Services - Demand Deposits	129,814

Restricted Assets -

Investment Pools	2,074,085
	<u>6,340,370</u>

Not Held by County Treasurer

Cash and Cash Equivalents On Hand	20,500
Demand Deposits - Various Other Departments	545,219
Investment Pools	10,017
Runyon Sports Complex Commission, Inc.	
Certificates of Deposit	57,454
Demand Deposits	100,026
Investment Pools - Restricted	620,877
Investment Pools with Fiscal Agent - Restricted	5,975,989
	<u>7,330,082</u>
	<u>\$ 13,670,452</u>

Investments

Held by County Treasurer

U.S. Agency Securities	\$ 34,524,626
Certificates of Deposit	456,656
Negotiable Certificates of Deposit	7,005,197
	<u>41,986,479</u>

Not Held by County Treasurer

Runyon Sports Complex Commission, Inc. - Certificates of Deposit	79,365
	<u>\$ 42,065,844</u>

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Statement of Net Position		
Primary Government	\$ 567,233	\$ 41,986,478
Primary Government - Restricted	8,670,951	-
Component units	287,295	79,366
Statement of Fiduciary Net Assets		
Agency Funds	4,144,973	-
	<u>\$ 13,670,452</u>	<u>\$ 42,065,844</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE A - CASH AND CASH EQUIVALENTS AND INVESTMENTS, Continued

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

	<u>Total</u>
Deposits	\$ 908,665
Investment Pools	4,946,296
Cash on Hand	<u>485,409</u>
	<u>\$ 6,340,370</u>

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

2. Deposits. At December 31, 2018 the carrying amount of the County's deposits, including certificates of deposit, was \$1,910,539 and the bank balance was \$7,498,541. Of the bank balance, \$829,211 was covered by federal depository insurance and \$6,669,330 was collateralized in single financial institution collateral pools maintained by the individual financial institutions that hold these deposits. Colorado law requires that depository institutions must apply for and be designated as an eligible public depository before the institution can accept public monies. The depository institution must pledge eligible collateral as security for all public deposits held by that institution that are not insured by depository insurance. The fair value of the collateral that each institution pledges as security must equal at least 102% of the total uninsured deposits held by that institution. Generally, the eligible collateral in the collateral pools is held by the depository institution or its agent in the name of the depository institution.

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a policy for custodial credit risk. As of December 31, 2018, deposits with a bank balance of \$6,669,330 are uninsured but are not exposed to custodial credit risk because they are collateralized with securities held by the pledging financial institutions's agent in the County's name.

Deposits of Component Units Not Held by County Treasurer

Runyon Sports Complex Commission, Inc. - At December 31, 2018 the carrying amount of the Commission's deposits was \$236,847 and the bank balance was \$245,587 and \$245,587 was covered by Federal National Credit Union Administration Insurance.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE A - CASH AND CASH EQUIVALENTS AND INVESTMENTS, Continued

3. Investments. The County is subject to the provisions of Colorado Revised Statutes 24-75-601 entitled “Concerning Investment in Securities by Public Entities.” This law, among other things, outlines the types of securities that public entities in Colorado may acquire and hold as investments. These include U.S. government and agency securities, certain bonds of political subdivisions, bankers’ acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds, negotiable certificates of deposits fully covered by FDIC Insurance and guaranteed insurance contracts. The statute also includes a provision limiting any investment to a five-year maturity unless the governing body authorizes a longer period.

As of December 31, 2018, the following investments and maturities were included in the County’s cash management pool:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>In Years</u>	
		<u>Less Than 1</u>	<u>1-5</u>
<u>Reported as Cash and Cash Equivalents</u>			
Colo Trust	\$ 2,913,435	\$ 2,913,435	\$ -
CSAFE	2,030,040	2,030,040	-
CSIP	2,821	2,821	-
Money Market Funds	6,606,883	6,606,883	-
	<u>\$ 11,553,179</u>	<u>\$ 11,553,179</u>	<u>\$ -</u>
<u>Reported as Investments</u>			
U.S. Agency Securities	34,524,626	-	34,524,626
Negotiable Certificates of Deposit	7,005,197	487,178	6,518,019
	<u>\$ 41,529,823</u>	<u>\$ 487,178</u>	<u>\$ 41,042,645</u>

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

The County has the following recurring fair value measurements as of December 31, 2018:

US Agency Securities of \$34,524,626 which are original issue securities and are valued using quoted market prices (Level 1 inputs).

Brokered CDs of \$7,005,197 are valued using a matrix pricing model (Level 2 inputs).

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

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE A - CASH AND CASH EQUIVALENTS AND INVESTMENTS, Continued

that are in the possession of an outside party. The County's investment policy does not limit the holding of securities by counterparties.

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

Credit Risk – The County does not have an investment policy that would further limit its investment choices beyond the requirements of Colorado statutes. As of December 31, 2018, the County’s investments in Colo Trust, C-Safe and CSIP are rated AAAm by Standard and Poor’s.

At December 31, 2018, the County’s investment in U.S obligations was rated as follows:

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

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

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

At December 31, 2018, cash and cash equivalents and investments of the Plan are reported as follows:

Financial Statement Presentation

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Statement of Fiduciary Funds - Pension Trust Fund	\$ 2,758,173	\$ 128,706,300

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

Demand Deposits	\$ 303,585
Money Market Accounts Held at Brokerages	<u>2,454,588</u>
	<u>\$ 2,758,173</u>

2. Deposits. At December 31, 2018, the carrying amount of the Plan’s deposits was \$303,585 and the

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

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

bank balance was \$303,585. Of the bank balance, \$250,000 was covered by federal depository insurance, therefore \$53,585 was not covered by FDIC.

3. Investments. As of December 31, 2018, the Plan had the following investments and maturities.

	Fair Value	Investment Maturities Less Than 1 year
<u>Investment Type</u>		
Investment Contract with Principal Life Insurance Company	\$ 13,518,673	\$ 13,518,673
Limited Partnership Interest - Grosvenor Institutional Partners	6,712,797	6,712,797
Aberdeen U.S. Private Equity	2,659,016	2,659,016
Harbert US Real Estate Fund V	8,821,158	8,821,158
Weathergage Venture Capital IV	749,121	749,121
Principal Real Estate Debt Fund	4,074,578	4,074,578
Golub Capital	1,054,475	1,054,475
<u>Registered Investment Companies -</u>		
Vanguard Total Stock Market Index Fund	26,935,384	26,935,384
Barings Global Floating Rate Fund	10,039,014	10,039,014
Western Asset Core Plus Bond Fund	6,796,201	6,796,201
Dodge Cox Global Stock Fund	12,604,458	12,604,458
American Funds New Perspective Fund	12,915,086	12,915,086
<u>Fixed Income Commingled Funds</u>		
JP Morgan Core Bond Fund #3900	9,308,215	9,308,215
Domestic Equity Securities	5,878,488	5,878,488
Domestic Equity Commingled Funds	6,639,636	6,639,636
	<u>\$128,706,300</u>	<u>\$128,706,300</u>

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

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

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

Investment Policies – Funds of the Plan are managed in accordance with Colorado statutes and any other

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

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

applicable law, and in compliance with the prudent investor rule. The investment of the Plan's assets shall be for the exclusive purpose of providing benefits for the participants and their beneficiaries, and paying the Plan's administrative expenses. The investments shall be prudently selected and properly diversified to fulfill fiduciary responsibilities.

The Plan policy in regard to the allocation of invested assets is established and may be amended by the Board. The following is the Plan's asset allocation targets as of December 31, 2018:

<u>Asset Class</u>	<u>Target</u>
Public Developed Equity	40.0%
Private Equity	5.0%
Fixed Rate Debt (Intermediate)	10.0%
Floating Rate Public Debt	15%
Low Volatility Hedge Funds	10.0%
Liquid Real Assets	5.0%
Equity Real Estate	15.0%

The following presents investments that represent five percent or more of the Plan's net position as of December 31, 2018:

Investment contract with Principal Life Insurance Company	\$ 13,518,673
Limited Partnership Interest - Grosvenor Institutional Partners	6,712,797
Harbert US Real Estate Fund V	8,821,158
Registered Investment Companies -	
Vanguard Total Stock Market Index Fund	26,935,384
Barings Global Floating Rate Fund	10,039,014
Western Asset Core Plus Bond Fund	6,796,201
Dodge Cox Global Stock Fund	12,604,458
American Funds New Perspective Fund	12,915,086
Fixed Income Commingled Funds -	
JP Morgan Core Bond Fund #3900	9,308,215
Domestic Equity Commingled Funds	6,639,636
Total cash and investments	<u>\$ 114,290,622</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE C - RECEIVABLES

Receivables as of December 31, 2018 consist of the following:

Primary Government

	Governmental Activities				
	General Fund	Human Services	Road and Bridge	Non-Major Governmental Funds	Governmental Activities
Receivables:					
Taxes:					
Property Taxes	\$41,575,886	\$5,146,720	\$1,633,587	\$4,575,077	\$52,931,270
Sales and Use Taxes	2,785,216	-	490,206	131,153	3,406,575
Excise Taxes	-	-	-	195,318	195,318
Highway Users Tax	-	-	297,669	-	297,669
Grants	1,346,843	71,263	341,453	719,624	2,479,183
Notes	245,364	-	-	368,227	613,591
Interest	123,638	-	-	-	123,638
Other Governments	37,510	2,461,093	77	145	2,498,825
Other Agencies	174,341	-	-	1,400,000	1,574,341
Other	994,346	99	-	12,140	1,006,585
	<u>47,283,144</u>	<u>7,679,175</u>	<u>2,762,992</u>	<u>7,401,684</u>	<u>65,126,995</u>
Less: Allowance for Uncollectible Accounts	<u>207,879</u>	<u>25,734</u>	<u>8,168</u>	<u>22,875</u>	<u>264,656</u>
Net Receivables	<u><u>\$47,075,265</u></u>	<u><u>\$7,653,441</u></u>	<u><u>\$2,754,824</u></u>	<u><u>\$7,378,809</u></u>	<u><u>\$64,862,339</u></u>
	Business-Type Activities				
	Desert Hawk Golf Course				
Other	<u>\$3,715</u>				
Net Receivables	<u><u>\$3,715</u></u>				

Other Agencies. The County entered into an economic development cooperation agreement with Pueblo Development Foundation (PDF), a Colorado non-profit corporation. The agreement provides that PDF administer an economic development revolving loan program on behalf of the County. The amount due at December 31, 2018 of \$1,400,000 represents funds that have been advanced to PDF to be used in the operation of the loan program. Either party, upon one years' written notice, may terminate the agreement; however, management considers the possibility of termination to be remote. If the agreement is terminated, uncommitted loan funds and outstanding loans and leases funded under the agreement will be assigned to the County by PDF.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE C - RECEIVABLES, Continued

Component Units

	Emergency Telephone Service Authority	Runyon Sports Complex Commission, Inc.	Total
Receivables:			
Other	\$ 80,532	\$ 23,400	\$ 103,932
Net Total Receivables	<u>\$ 80,532</u>	<u>\$ 23,400</u>	<u>\$ 103,932</u>

NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following interfund receivables and payables are included in the fund financial statements at December 31, 2018:

	Due From Other Funds	Due To Other Funds
Governmental Funds -		
General Fund	\$ 427,956	\$ 473,172
Human Services Fund	-	160,735
Road & Bridge Fund	250	120,120
Non-major Governmental Funds	605,612	67,076
Total Governmental Funds	<u>\$ 1,033,818</u>	<u>\$ 821,103</u>
Enterprise Fund -		
Desert Hawk Golf Course at Pueblo West	-	212,715
	<u>\$ 1,033,818</u>	<u>\$ 1,033,818</u>

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS, Continued

The following table summarizes advances to/from other funds at December 31, 2018:

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

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

Transfers for the year ended December 31, 2018 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds		
General Fund	\$ 379,308	\$ 974,236
Human Services Fund	-	369,271
Road & Bridge Fund	200,000	-
Non-major Governmental Funds	1,032,020	625,319
Major Enterprise Fund		
Desert Hawk Golf Course at Pueblo West	357,498	-
	<u>\$ 1,968,826</u>	<u>\$ 1,968,826</u>

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018, was as follows:

	Balance January 1, 2018	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2018
<u>Governmental Activities:</u>				
Nondepreciable Assets:				
Land	\$ 10,090,124	\$ -	\$ -	\$ 10,090,124
Water Rights	91,600	-	-	91,600
Land-Infrastructure	1,719,364	-	-	1,719,364
Easements and Right-of-Ways	236,810	168,860	-	405,670
Construction in Progress	13,319,346	4,174,403	(1,544,293)	15,949,456
Total Capital Assets not being Depreciated	<u>25,457,244</u>	<u>4,343,263</u>	<u>(1,544,293)</u>	<u>28,256,214</u>
Depreciable Assets:				
Buildings and Improvements	147,738,826	366,476	(65,000)	148,040,302
Machinery and Equipment	39,480,585	1,223,465	(525,521)	40,178,529
Software Development	9,535,439	-	-	9,535,439
Infrastructure	168,180,106	3,451,636	-	171,631,742
Total Capital Assets being Depreciated	<u>364,934,956</u>	<u>5,041,577</u>	<u>(590,521)</u>	<u>369,386,012</u>
Less Accumulated Depreciation for:				
Building and Improvements	(43,837,604)	(4,189,699)	36,183	(47,991,120)
Machinery and Equipment	(23,781,253)	(2,489,301)	525,521	(25,745,033)
Software Development	(8,108,570)	(570,998)	-	(8,679,568)
Infrastructure	(93,695,132)	(5,173,965)	-	(98,869,097)
Total Accumulated Depreciation	<u>(169,422,559)</u>	<u>(12,423,963)</u>	<u>561,704</u>	<u>(181,284,818)</u>
Capital Assets being Depreciated, Net	<u>195,512,397</u>	<u>(7,382,386)</u>	<u>(28,817)</u>	<u>188,101,194</u>
Total Governmental Activities				
Capital Assets, Net	<u>\$ 220,969,641</u>	<u>\$ (3,039,123)</u>	<u>\$ (1,573,110)</u>	<u>\$ 216,357,408</u>

Construction in progress at December 31, 2018 consists of the following amounts:

Various Machinery and Equipment Projects	\$ 776,358
Various Infrastructure Projects	11,137,769
Various Building Improvements	4,035,329
	<u>\$ 15,949,456</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE E - CAPITAL ASSETS, Continued

	Balance January 1, 2018	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2018
<u>Business-Type Activities:</u>				
Nondepreciable Assets:				
Land	\$ 4,402,683	\$ -	\$ -	\$ 4,402,683
Total Capital Assets not being Depreciated	<u>4,402,683</u>	<u>-</u>	<u>-</u>	<u>4,402,683</u>
Depreciable Assets:				
Buildings and Improvements	362,041	-	-	362,041
Improvements other than Buildings	1,493,720	-	-	1,493,720
Machinery and Equipment	994,018	95,028	-	1,089,046
Total Capital Assets being Depreciated	<u>2,849,779</u>	<u>95,028</u>	<u>-</u>	<u>2,944,807</u>
Less Accumulated Depreciation for:				
Building and Improvements	(304,103)	(5,358)	-	(309,461)
Improvements other than Buildings	(1,192,147)	(71,943)	-	(1,264,090)
Machinery and Equipment	(770,568)	(33,291)	-	(803,859)
Total Accumulated Depreciation	<u>(2,266,818)</u>	<u>(110,592)</u>	<u>-</u>	<u>(2,377,410)</u>
Capital Assets being Depreciated, Net	<u>582,961</u>	<u>(15,564)</u>	<u>-</u>	<u>567,397</u>
Total Business-Type Activities				
Capital Assets, Net	<u>\$ 4,985,644</u>	<u>\$ (15,564)</u>	<u>\$ -</u>	<u>\$ 4,970,080</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 3,048,191
Public Safety	2,566,280
Road and Bridge	5,696,977
Health and Welfare	811,980
Culture and Recreation	239,763
Conservation	31,863
Urban Redevelopment and Housing	28,909
Total Depreciation Expense - Governmental Activities	<u>\$ 12,423,963</u>
Business-Type Activities:	
Desert Hawk Golf Course at Pueblo West	\$ 110,592
Total Depreciation Expense, Business-Type Activities	<u>\$ 110,592</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE E - CAPITAL ASSETS, Continued

Construction Commitments

At December 31, 2018, the County had various incomplete machinery and equipment projects and infrastructure and building improvement projects with remaining estimated costs of \$21,861,012. Funding for these projects is to be provided by the proceeds of related grants, future taxes and prior issuance of certificates of participation.

Discretely Presented Component Unit – Emergency Telephone Service Authority

A summary of changes in capital assets, net of accumulated depreciation, for the year ended December 31, 2018 follows:

	Balance January 1, 2018	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2018
Depreciable Assets:				
Machinery and Equipment	\$ 301,169	\$ -	\$ (2,859)	\$ 298,310
Less Accumulated Depreciation	(242,140)	(24,152)	2,859	(263,433)
Emergency Telephone Service				
Authority Capital Assets, Net	\$ 59,029	\$ (24,152)	\$ -	\$ 34,877

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

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

Deferred outflows of resources at December 31, 2018 are summarized as follows:

	Governmental Activities	Business-Type Activities
Deferred Amounts on Refunding	\$ 54,671	\$ 147,658
OPEB Related	269,422	-
Pension Related	16,071,662	-
Total Deferred Outflows	<u>\$ 16,395,755</u>	<u>\$ 147,658</u>

Deferred inflows of resources at December 31, 2018 are summarized as follows:

	General Fund	Human Services	Road & Bridge	Non-Major Governmental Funds	Total
Property Taxes	\$ 41,368,007	\$ 5,120,986	\$ 1,625,419	\$ 4,552,202	\$ 52,666,614
Unavailable Grant Revenue	-	6,153,831	48,453	179,700	6,381,984
Total Governmental Funds	<u>41,368,007</u>	<u>11,274,817</u>	<u>1,673,872</u>	<u>4,731,902</u>	<u>59,048,598</u>
Less: Amounts Recognized as Revenue in the Government-Wide Statements	-	(71,263)	(48,453)	-	(119,716)
Pension Related	5,287,762	-	-	-	5,287,762
Total Governmental Activities	<u>\$ 46,655,769</u>	<u>\$ 11,203,554</u>	<u>\$ 1,625,419</u>	<u>\$ 4,731,902</u>	<u>\$ 64,216,644</u>

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2018:

	Balance January 1, 2018	Increases	Decreases	Balance December 31, 2018	Due Within One Year
<u>Governmental Activities</u>					
General Obligation					
Refunding, Series 2005	\$ 2,135,000	\$ -	\$ (1,045,000)	\$ 1,090,000	\$ 1,090,000
Unamortized Premium	29,079	-	(15,852)	13,227	13,227
Total General Obligation					
Bonds Payable	2,164,079	-	(1,060,852)	1,103,227	1,103,227
Certificates of Participation,					
Series 2008	1,500,000	-	(1,500,000)	-	-
Unamortized Discount	(7,161)	-	7,161	-	-
Certificates of Participation,					
Series 2009A	23,600,000	-	-	23,600,000	-
Unamortized Discount	(283,246)	-	13,020	(270,226)	-
Certificates of Participation,					
Series 2009B	3,000,000	-	-	3,000,000	755,000
Unamortized Discount	(4,230)	-	1,140	(3,090)	-
Certificates of Participation,					
Series 2012	53,620,000	-	(300,000)	53,320,000	1,135,000
Unamortized Premium	3,570,473	-	(144,300)	3,426,173	-
Certificates of Participation,					
Series 2018A	-	6,035,000	-	6,035,000	505,000
Unamortized Premium	-	164,107	(6,726)	157,381	-
Total Certificates					
of Participation	84,995,836	6,199,107	(1,929,705)	89,265,238	2,395,000
Obligation under Capital Leases	451,905	-	(122,620)	329,285	127,710
Compensated Absences	8,393,520	939,645	(836,535)	8,496,630	849,663
Estimated Claims and Judgments					
Self-Insured Claims	1,269,655	885,281	(1,728,172)	426,764	426,764
Health Insurance Claims	376,742	11,568,227	(11,866,491)	78,478	78,478
Estimated Claims & Judgments Total	1,646,397	12,453,508	(13,594,663)	505,242	505,242
Net OPEB Obligation	6,130,454	981,839	(198,841)	6,913,452	-
Net Pension Liability	82,595,987	26,135,349	(9,509,156)	99,222,180	-
Total Governmental Activities Long-Term					
Liabilities	186,378,178	46,709,448	(27,252,372)	205,835,254	4,980,842

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

	Balance January 1, 2018	Increases	Decreases	Balance December 31, 2018	Due Within One Year
<u>Business-Type Activities</u>					
Refunding Certificates of Participation, Series 2005	\$ 3,560,000	\$ -	\$ (445,000)	\$ 3,115,000	\$ 465,000
Unamortized Discount	(20,211)	-	4,780	(15,431)	-
Total Certificates of Participation	3,539,789	-	(440,220)	3,099,569	465,000
Obligations under Capital Leases	132,337	72,804	(57,180)	147,961	57,705
Advances from Other Governments:					
Purchase Option	457,000	-	-	457,000	-
Water Purchase	1,279,813	-	-	1,279,813	-
Non-Interest Bearing Loan	4,496,865	306,788	-	4,803,653	-
Total Advances from Other Governments	6,233,678	306,788	-	6,540,466	-
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 9,905,804</u>	<u>\$ 379,592</u>	<u>\$ (497,400)</u>	<u>\$ 9,787,996</u>	<u>\$ 522,705</u>

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

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

General Obligation

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

\$ 1,090,000
1,090,000

Certificates of Participation

\$23,600,000, series 2009A certificates of participation; interest rate ranges from 6.5% to 6.85%; due in annual installments including interest ranging from \$1,133,913 to \$2,529,415 through September 2039; debt is serviced by the general fund

23,600,000

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

\$3,000,000, series 2009B certificates of participation; interest rate is 6.25%; due in annual installments including interest ranging from \$133,333 to \$942,500 through September 2022; debt is serviced by the general fund	3,000,000
\$55,000,000, series 2012 certificates of participation; interest rate ranges from 2% to 5%; due in annual installments including interest ranging from \$1,276,412 to \$5,617,500 through September 2042; debt is serviced by the general fund	53,320,000
\$6,035,000, series 2018A certificates of participation; interest rate of 3%; due in semi-annual installments including interest ranging from \$10,350 to \$112,653 through September 2028; debt is serviced by the general fund	6,035,000
	<u>85,955,000</u>
Obligations under Capital Leases	
\$623,814 of obligation under capital lease; interest rate of 4.0%; payable in semi-annual installments of \$139,231 including interest through June 2021; lease payments began September 2016; debt is serviced by the general fund	329,285
	<u>329,285</u>
Other Obligations	
Compensated Absences	8,496,630
Estimated Claims and Judgments	505,242
Net OPEB Obligation	6,913,452
Net Pension Liability	99,222,180
	<u>115,137,504</u>
Total Governmental Activities	<u>\$ 202,511,789</u>

Pueblo County entered into a master indenture agreement with Wells Fargo in 2012 with the issuance of the series 2012 certificates of participation that cross-collateralized several buildings owned by the County to secure this debt, series 2008 and the series 2009A and series 2009B certificates of participation. The cross-collateralized property pledged was the Pueblo County buildings located at 909 Court Street (Pueblo County Sheriff's Main Office, County Jail and addition), 320 W. 10th Street (the old judicial building), 501 N. Elizabeth (Dennis Maes Pueblo Judicial Building) and 101 W 9th Street (Pueblo Department of Public Health & Environment).

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

The debt service requirements for the governmental activities general obligation bonds, certificates of participation, and capital leases as of December 31, 2018 are as follows:

Year Ending	Governmental Activities					
	General & Limited Tax Obligation					
	Bonds			Certificates of Participation		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 1,090,000	\$ 46,320	\$ 1,136,320	\$ 2,395,000	\$ 4,489,968	\$ 6,884,968
2020	-	-	-	2,535,000	4,348,753	6,883,753
2021	-	-	-	2,660,000	4,222,902	6,882,902
2022	-	-	-	2,790,000	4,090,478	6,880,478
2023	-	-	-	2,930,000	3,950,390	6,880,390
2024-2028	-	-	-	16,310,000	17,736,690	34,046,690
2029-2033	-	-	-	16,235,000	13,576,283	29,811,283
2034-2038	-	-	-	20,175,000	8,752,237	28,927,237
2039-2042	-	-	-	19,925,000	2,585,808	22,510,808
Total	<u>\$ 1,090,000</u>	<u>\$ 46,320</u>	<u>\$ 1,136,320</u>	<u>\$ 85,955,000</u>	<u>\$ 63,753,509</u>	<u>\$ 149,708,509</u>

Year Ending,	Governmental Activities		
	Capital Leases		
	Principal	Interest	Total
December 31,			
2019	\$ 127,710	\$ 11,521	\$ 139,231
2020	133,012	6,219	139,231
2021	68,563	1,052	69,615
Total	<u>\$ 329,285</u>	<u>\$ 18,792</u>	<u>\$ 348,077</u>

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

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

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

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

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

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

The \$6,035,000 series 2018A certificates of participation represent assignment of proportionate interests in rights to receive payments pursuant to an annually terminable amended and restated lease purchase agreement dated August 1, 2018 between the County and Wells Fargo Bank, N.A. The principal and interest on the certificates is payable solely from annually expiring property tax incentive agreements paid by the County to Wells Fargo Bank, N.A. The certificates shall never constitute or give rise to a general obligation or other indebtedness of the County within the meaning of any constitutional, statutory or other debt limitation. All the payment obligations of the County are subject to annual appropriation by the Board of County Commissioners.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new general obligation bonds in escrow to provide for all future debt service payments on the old bonds. Accordingly, the escrow account assets and the liability for the defeased general obligation bonds are not included in the County's financial statements. \$1,130,000 of bonds previously defeased are still outstanding at December 31, 2018.

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

Certificates of Participation

\$7,985,000 series 2005 refunding certificates of participation issue of Pueblo County Capital Construction Corporation (PCCCC); interest rate ranges from 3.5% to 5.0%; due in annual installments including interest ranging from \$601,788 to \$617,925 through December 2024; debt is serviced by the Desert Hawk Golf Course at Pueblo West enterprise fund	<u>\$ 3,115,000</u>
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Obligations under Capital Leases

\$215,790 of obligation under capital lease; interest rate of 3.00%; payable in annual installments of \$46,011 including interest through June 2020, debt is serviced by the Desert Hawk Golf Course at Pueblo West enterprise fund	89,540
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\$72,804 of obligation under capital lease; interest rate of 4.64%; payable in annual installments of \$15,940 including interest through September 2022, debt is serviced by the Desert Hawk Golf Course at Pueblo West enterprise fund	<u>58,421</u>
	<u>147,961</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

Other Obligations

The County entered into an agreement with the Pueblo West Metropolitan District (the District) related to the acquisition and operation of Desert Hawk Golf Course at Pueblo West. Under this agreement the District advanced \$1,450,000 for the acquisition of the golf course with \$170,000 of the advance treated as a non-interest bearing loan and the remaining \$1,280,000 treated as an irrevocable option to acquire the title to all or some of the additional properties identified in the agreement. If the District does not exercise its option on any or all of the additional properties, the portion of the advance not exercised shall become a non-interest bearing loan. Beginning in the calendar year 2005 and going forward the District and the County each fund one-half of the annual debt service requirements. These annual advances are to be treated as non-interest bearing loans. Furthermore, the agreement requires the District to provide untreated water to the enterprise at a rate equal to, but no higher than the actual cost incurred by the District. Any amount of water delivered prior to January 1, 2011 that is not covered by annual revenues shall be treated as non-interest bearing loans. Repayment of all loans is solely from excess revenues over cash disbursements of the enterprise fund and is limited to \$500,000 per year. The amounts due the District under this agreement at December 31, 2018 are as follows:

Advance on Purchase Option	457,000
Advance on Water Payments, Non-Interest Bearing	1,279,813
Non-Interest Bearing Loan	<u>4,803,653</u>
	<u>6,540,466</u>
Total Business-Type Activities	<u><u>\$ 9,803,427</u></u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

The debt service requirements for the business-type activity certificates of participation and capital leases as of December 31, 2018 are as follows:

Year Ending <u>December 31,</u>	Business-Type Activities					
	Certificates of Participation			Capital Leases		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 465,000	\$ 148,550	\$ 613,550	\$ 57,706	\$ 4,245	\$ 61,951
2020	480,000	127,625	607,625	59,693	2,259	61,952
2021	505,000	104,625	609,625	14,927	1,012	15,939
2022	530,000	80,375	610,375	15,635	304	15,939
2023	555,000	54,875	-	-	-	-
2024	580,000	28,125	608,125	-	-	-
Total	<u>\$3,115,000</u>	<u>\$ 544,175</u>	<u>\$3,049,300</u>	<u>\$ 147,961</u>	<u>\$ 7,820</u>	<u>\$ 155,781</u>

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

In prior years, the PCCCC defeased certain certificates of participation by placing the proceeds of new certificates of participation in escrow to provide for all future debt service payments on the old certificates of participation. Accordingly, the escrow account assets and liability for the defeased certificates of participation are not included in the County's financial statements. \$3,036,278 of certificates of participation outstanding previously defeased is still outstanding at December 31, 2018.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

Capital Leases

The County has entered into capital lease agreements for various equipment and machinery under which the equipment will become the property of the County when all terms of the lease agreements have been met. The following schedule presents the future minimum lease payments as of December 31, 2018:

	<u>Governmental Activities</u>
Future Minimum Lease Payments	\$ 348,077
Less: Amounts Representing Interest	<u>(18,792)</u>
	<u>\$ 329,285</u>

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

	<u>Governmental Activities</u>
Assets:	
Buildings and Improvements	\$ 2,534,269
Less: Accumulated Amortization	<u>(880,846)</u>
	<u>\$ 1,653,423</u>

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

NOTE H - NET POSITION

Restricted net position is one of three components of net position which consists of restricted assets, reduced by liabilities and deferred inflows of resources related to those assets, whose uses are subject to constraints that are either: (1) externally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2018 for governmental activities is as follows:

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE H - NET POSITION, Continued

	Governmental Activities
Restricted for:	
TABOR	\$ 3,000,000
Human Services Building Project	5,781,281
Judicial Building Project	194,708
SDS Capital Project	5,074,015
Capital Projects Total	11,050,004
Other	
Debt Service	103,933
Sheriff Program Funds	247,949
Health and Welfare	3,060,585
Highways and Streets	6,907,815
Scholarships and Community Development	1,652,277
Retirement Benefits	1,625,545
Conservation Trust Funds	172,111
Developmental Disabilities	4,134
Future Land Development	219,898
Housing Revolving Loan Fund	670,136
Other Total	14,664,383
Total Restricted Net Position	<u>\$ 28,714,387</u>

Restricted for TABOR. This represents approximately 3% of the County's estimated 2018 fiscal year spending as that term is defined in the Colorado Constitution. Under these provisions of the Constitution, this portion of net position can be used for declared emergencies only and the County must accumulate 3% or more of its fiscal year spending in this account. For 2018 this amount is \$3,000,000.

Restricted for Human Services Building Project. This represents the amount of unspent bond proceeds restricted to complete the renovation of the county building for the Department of Human Services.

Human Services Building Project	\$ 5,781,281
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Judicial Building Project. This represents the amount of unspent bond proceeds restricted for the Judicial Buildings and related principal payments:

Judicial Building Proceeds	\$194,708
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SDS Capital Project. This represents the amount received from Colorado Springs Utilities for SDS Condition 13 that is required to be accounted for separately and said expenditures shall be limited to roads and bridges in connection with such land use projects under CRS section 43-2-202(1)(a).

SDS Capital Project	\$5,074,015
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PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE H - NET POSITION, Continued

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

2005 Series General	
Obligation Refunding Library Bonds	
(Pueblo Library District Project)	\$103,933

Restricted Justice Program Funds. This represents the amount held in the General Fund in federal forfeiture and jail based behavior accounts to be used for federally approved uses:

Justice Program Funds	\$247,949
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Restricted Health and Welfare Funds. This represents the amounts held in the Human Services Fund as well as the Department of Aging Fund and Department of Housing and Human Services Fund to be used for federally approved uses:

Health and Welfare Funds	\$3,060,585
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Restricted Highways and Streets. This represents the amounts held in the Road & Bridge Fund to be used for bridge construction and maintenance and traffic engineering:

Highways and Streets Funds	\$6,907,815
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Restricted Scholarships and Community Development. This represents amounts held in the Excise Tax Fund of marijuana excise taxes paid to the County. The first 50% of tax dollars are allocated toward local scholarships and the second 50% are allocated toward voter approved capital infrastructure projects.

Scholarships and Community Development	\$1,652,277
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Restricted Retirement Benefits. This represents the amounts held in the Employee Retirement Fund for the mill levy dedicated to paying the County portion of employee retirement benefits.

Retirement Benefits	\$1,625,545
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PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE H - NET POSITION, Continued

Restricted Conservation Trust Funds. This represents the amounts held in the Conservation Trust Fund as the collection of revenues from the Colorado State Lottery to be used on approved parks and recreation repairs and capital improvements.

Conservation Trust Funds	\$172,111
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Restricted Developmental Disabilities Funds. This represents the amounts held in the Developmental Disability Fund for the mill levy dedicated for payment to a non-profit corporation for various programs related to helping the developmentally challenged.

Developmental Disabilities Funds	\$4,134
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Restricted Future Development Funds. This represents the amounts held in the Subdivision Park Site Fee Fund and the Fire Hydrant Impact Fee Fund that are related to future land development in the County.

Future Development Funds	\$219,898
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Restricted Housing Revolving Loan Fund. This represents the fund balance in the Pueblo County Housing Fund to be used for HUD approved housing improvement projects:

Housing Revolving Loan Fund	\$670,136
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Prior Period Adjustments

As of January 1, 2018 net position for governmental activities has been restated as follows due to the implementation of GASB 75 for OPEB reporting:

	Governmental Activities
Net Position at January 1, 2018, as Previously Reported	\$ 76,359,722
Prior period adjustment to eliminate net other post-employment benefit obligation previously reported due to the implementation of new OPEB reporting standards	4,693,711
Prior period adjustment to report net OPEB liability to implement GASB Statement 75 for OPEB reporting	(6,130,454)
Net Position at January 1, 2018, as Restated	\$ 74,922,979

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE H - NET POSITION, Continued

As of January 1, 2018 net position for Runyon Sports Complex Commission Inc, discretely-presented component unit, has been restated from amounts previously reported due to previously unreported cash balances which represents net income and expenses from prior years as follows:

	Runyon Sports Complex Commission Inc
Net Position at January 1, 2018 as Previously Reported	\$ 297,394
Unreported Cash Balances	<u>33,359</u>
Net Position at January 1, 2018, as Restated	<u>\$ 330,753</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE I - FUND BALANCES

At December 31, 2018, fund balances for governmental funds consist of the following:

	Governmental Activities				
	General Fund	Human Services	Road and Bridge	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable Fund Balances:					
Inventories	\$ 130,610	\$ -	\$ -	\$ -	\$ 130,610
Prepaid Items	390,476	-	-	-	390,476
Advances to Other Funds	395,000	-	-	-	395,000
Notes Receivable	245,364	-	-	-	245,364
Total Nonspendable Fund Balances:	1,161,450	-	-	-	1,161,450
Restricted Fund Balances:					
TABOR	3,000,000	-	-	-	3,000,000
Justice Programs	247,949	-	-	-	247,949
Judicial Building Project	-	-	-	194,708	194,708
Debt Service	-	-	-	103,933	103,933
Health & Welfare Programs	-	2,806,154	-	254,431	3,060,585
SDS Capital Projects	-	-	5,074,015	-	5,074,015
Highways and Streets	-	-	6,907,815	-	6,907,815
Human Services Building Project	-	-	-	5,781,281	5,781,281
Marijuana Scholarship Program and Community Development	-	-	-	1,652,277	1,652,277
Retirement Benefits	-	-	-	1,625,545	1,625,545
Conservation Trust Funds	-	-	-	172,111	172,111
Developmental Disabilities	-	-	-	4,134	4,134
Future Land Development	-	-	-	219,898	219,898
Housing Revolving Loan Fund	-	-	-	670,136	670,136
Total Restricted Fund Balances	3,247,949	2,806,154	11,981,830	10,678,454	28,714,387
Assigned Fund Balances:					
Notes Receivable	-	-	-	1,400,000	1,400,000
County Clerk Technology Improvements	18,690	-	-	-	18,690
Sheriff Programs	386,057	-	-	-	386,057
Inmate Enhancement	-	-	-	271,734	271,734
Cultural and Recreation	105,879	-	-	-	105,879
Capital Projects	-	-	-	810,328	810,328
Employee Insurance Reserves	907,976	-	-	-	907,976
Subsequent Years Expenditures	2,300,000	-	-	-	2,300,000
Total Assigned Fund Balances	3,718,602	-	-	2,482,062	6,200,664
Unassigned Fund Balance	9,135,747	-	-	-	9,135,747
Total Fund Balances	\$17,263,748	\$2,806,154	\$11,981,830	\$ 13,160,516	\$ 45,212,248

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES

NOTE A - RISK MANAGEMENT

County Workers' Compensation Pool

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

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

Colorado Counties Casualty and Property Pool

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

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

At December 31, 2018, the determined estimated liability for self-insured workmen's compensation claims and property and liability claims totaled \$426,764, which represents expected losses including claims incurred but not yet reported. The liability was computed based on case loss reserves provided by third-party administrators for losses that have already occurred. Loss Development factors from the latest 9/1/2012 Colorado IRMI published data were applied to the case loss reserves to provide an estimate of future payments.

Changes in the aggregate self-insured claims liability for workmen's compensation and property and casualty for the years ended December 31, 2018 and 2017 are as follows:

	Year End December 31,	
	2018	2017
Estimated Claims Liability, January 1	\$ 1,269,655	\$ 879,549
Current Year Claims and Changes in Estimates	885,281	1,683,631
Current Year Payments	(1,728,172)	(1,293,525)
Estimated Claims Liability, December 31	<u>\$ 426,764</u>	<u>\$ 1,269,655</u>

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES, Continued

NOTE A - RISK MANAGEMENT, Continued

Health Insurance Benefits

All health coverage, except dental coverage, is being provided through a purchased commercial risk-sharing insurance policy or arrangement. The terms of the policy provide that if claims exceed premiums paid, the County is liable for the difference up to a cap maximum. The prior year deficit will carry forward from year to year, but only up to \$1 million maximum or when claims exceed 105% of premiums, in which case, payment for the excess is due to the insurance provider. The current year has a deficit of \$78,478, which is reported as a liability.

Changes in the aggregate self-insured claims liability for health for the years ended December 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Estimated Claims Liability, January 1	\$ 376,742	\$ (665,959)
Current Year Claims and Changes in Estimates	11,568,227	10,740,517
Current Year Refunds	-	665,959
Current Year Payments	<u>(11,866,491)</u>	<u>(10,363,775)</u>
Estimated Claims Liability, December 31	<u>\$ 78,478</u>	<u>\$ 376,742</u>

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

NOTE B - EMPLOYEE BENEFITS

Defined Benefit Pension Plan

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

Retirement Benefits. Normal retirement date is the first of the month on or after reaching age 62 (65 if hired on or after January 1, 2011). The annual benefit payable at normal retirement is equal to 2.1% times final average annual compensation times the years of credited service (1.85% if hired on or after January 1, 2011). The

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

annual benefit will not be greater than 80% of the participant's average annual compensation during the 12 highest paid consecutive months of credited service within the last 120 months. For those participants who were employees on or before December 31, 1996, such annual retirement benefit shall not be less than \$300 multiplied by the participant's credited service.

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

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

Employees Covered by Benefit Terms. At December 1, 2018, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	614
Inactive, Nonretired Members	92
Active Members	<u>1,100</u>
Total	<u><u>1,806</u></u>

Contributions. The Board establishes contributions based on an actuarially determined contribution rate recommended by an independent actuary pursuant to the plan document. The actuarially determined contribution rate is the estimated amount as a percentage of payroll necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer contributions must at least match member contributions. Member contributions are currently 8.25% of covered salary. Contributions to the pension plan from the County were \$4,312,725 for the year ended December 31, 2018.

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

NOTE B - EMPLOYEE BENEFITS, Continued

Net Pension Liability

The County's net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar amount, closed
Remaining Amortization Period	27 years
	Actuarial value that smooths investment gains and losses over 5 years, constrained to a range of 80% - 120% of fair value
Asset Valuation Method	3.0%
Inflation	Graded by service, from 5.5% down to 3.5%
Salary Increases	7.5%, net of pension plan investment expenses
Investment Rate of Return	An age-related assumption is used for members not yet receiving payments
Retirement Age	

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

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of investment expense, was 3.18%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2018 are summarized in the following table (note that the rates shown exclude the inflation component of 2.76%):

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

NOTE B - EMPLOYEE BENEFITS, Continued

Asset Class	Long-Term Expected Real Rate of Return	
Private Equity	10.89	%
International Equity	7.38	%
Domestic Equity	7.80	%
Real Estate	5.06	%
Hedge Funds	3.96	%
Fixed Income	1.29	%

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy adopted by the Retirement Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 12/31/2017	\$ 222,778,687	\$ 141,163,098	\$ 81,615,589
Changes for the year			
Service Cost	4,815,315	-	4,815,315
Interest	16,520,443	-	16,520,443
Differences Between Expected and Actual Experience	(816,294)	-	(816,294)
Contributions - Employer	-	4,312,725	(4,312,725)
Contributions - Employee	-	4,312,725	(4,312,725)
Net Investment Income	-	(4,413,256)	4,413,256
Benefit Payments	(13,249,815)	(13,249,815)	-
Administrative Expense	-	(248,577)	248,577
Net Changes	7,269,649	(9,286,198)	16,555,847
Balances at 12/31/2018	<u>\$ 230,048,336</u>	<u>\$ 131,876,900</u>	<u>\$ 98,171,436</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

Sensitivity 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 than the current rate.

	1% Decrease (6.50%)	Single Discount Rate Assumption (7.50%)	1% Increase (8.50%)
County's Net Pension Liability	\$ 123,601,422	\$ 98,171,436	\$ 76,507,965

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

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

For the year ended December 31, 2018, the County recognized pension expense of \$ 6,808,266 . At December 31, 2018, the County 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	\$ 1,727,945	\$ 1,561,974
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	14,114,976	3,675,301
Total	<u>\$ 15,842,921</u>	<u>\$ 5,237,275</u>

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

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

NOTE B - EMPLOYEE BENEFITS, Continued

Year Ended		
2019	\$	3,940,720
2020		1,682,590
2021		2,143,087
2022		2,965,855
2023		(126,606)
	\$	<u>10,605,646</u>

Payable to the Pension Plan

At December 31, 2018, the County reported a payable of \$ 354,345 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2018.

Colorado Public Employees Retirement Association (PERA)

Plan Description. Eligible employees of the County are provided with pensions through the State Division Trust Fund (SDTF) – a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at .

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

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

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

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all

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

NOTE B - EMPLOYEE BENEFITS, Continued

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

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases as outlined in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year.

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.

Contribution Provisions as of December 31, 2018. The District Attorney and the County are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below (rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42)):

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

NOTE B - EMPLOYEE BENEFITS, Continued

	Rate	
Employer Contribution Rate	10.15	%
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 SDTF	9.13	%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	5.00	%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. §24-51-411	5.00	%
Total Employer Contribution Rate to the SDTF	19.13	%

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the County is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the County were \$ 29,908 for the year ended December 31, 2018.

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

At December 31, 2018 the County reported a liability of \$1,050,744 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The County's proportion of the net pension liability was based on the County's contributions to the SDTF for the calendar year 2017 relative to the total contributions of participating employers to the SDTF.

At December 31, 2017, the County's proportion was 0.005249 %, which was a decrease of 0.000088 % from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the County recognized pension expense of \$ 227,046 . At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

NOTE B - EMPLOYEE BENEFITS, Continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 16,384	\$ -
Changes in Assumptions or Other Inputs	182,449	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	39,575
Changes in Proportionate Share Difference Between Contributions Recognized and Proportionate Share of Contributions	-	10,787
Contributions Subsequent to the Measurement Date	29,908	-
Total	<u>\$ 228,741</u>	<u>\$ 50,487</u>

\$ 29,908 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, 2019. 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	
2019	\$ 150,121
2020	28,304
2021	(15,039)
2022	(15,040)
	<u>\$ 148,346</u>

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50% - 9.17%
Long-term Investment Rate of Return, Net of Pension	
Plan Investment Expenses, Including Price Inflation	7.25%
Discount Rate	5.26%
Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to 01/01/2007 and	
DPS Benefit Structure (automatic)	2.00%
PERA Benefit Structure Hired After 12/31/2006	
(ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

The discount rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 4.72% as described below.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016 Board meeting.

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% factor applied to male rates and a 55% factor applied to female rates.

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

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

Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78% factor applied to rates for ages less than 80, a 109% factor applied to rates for 80 and above, and further adjustments for credibility.

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

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

NOTE B - EMPLOYEE BENEFITS, Continued

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.

Several factors were considered in evaluating the long-term rate of return assumption for the 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 long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometrical real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 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 %	3.90 %
Real Estate	8.50 %	4.90 %
Opportunity Fund	6.00 %	3.80 %
Cash	1.00 %	0.20 %
Private Equity	8.50 %	6.60 %
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%.

PUEBLO COUNTY, COLORADO
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IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

Discount Rate. The discount rate used to measure the total pension liability was 4.72%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2016 and the financial status of the SDTF as of the prior measurement date (December 31, 2016). In addition, the following methods and assumptions were used in the projections of cash flows

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rate as of the measurement date. 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 reached 103%, at which point the AED and SAED will each drop .50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the Annual Increase Reserve (AIR) and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above method and assumptions, the GASB Statement No 67 projection test indicates SDTF's

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

NOTE B - EMPLOYEE BENEFITS, Continued

fiduciary net position was projected to be depleted in 2038 and, as a result, the municipal bond index rate was used in determination of the discount rate. The long-term expected rate of return of 7.25% on pension plan investments was applied to periods through 2038 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer, was applied to periods on and after 2038 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43%, resulting in a discount rate of 4.72%.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25% and the municipal bond index rate of 3.86% was used in the discount rate determination resulting in a discount rate of 5.26%.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 4.72%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (3.72%) or 1% higher (5.72%) than the current rate:

	1% Decrease (3.72%)	Current Discount Rate (4.72%)	1% Increase (5.72%)
Proportionate Share of the Net Pension Liability	\$1,307,201	\$ 1,050,744	\$ 840,208

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

Subsequent Events

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

A summary of the bill's main provisions are as follows:

Benefit Changes

- Increase the number of years used in the HAS calculation from three to five years for members, except judges, who do not have five years of service credit on December 31, 2019, and for new members hired on or after January 1, 2020.
- Increase the number of years used in the HAS calculation for the Judicial Division from one to three

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

NOTE B - EMPLOYEE BENEFITS, Continued

years for members who do not have five years of service credit on December 31, 2019, and for new members hired on or after January 1, 2020.

- Redefine PERA-includable salary for all members to include payouts of unused sick leave.
- Redefine PERA-includable salary for members hired on or after July 1, 2019, to include contributions to IRC Section 125 and 132 plans.
- For members hired on or after January 1, 2020, age and service for full service retirement is met at:
 - Any age with 35 years.
 - Age 64 with 30 years.
 - Age 65 with 5 years.
- For members hired on or after January 1, 2020, age and service for reduced service retirement is met at:
 - Age 55 with 25 years.
 - Age 60 with 5 years.
- Temporary suspension of AI for years 2018 and 2019.
- Sets the AI cap at 1.5 percent and extends the AI waiting period from one to three years.

Contribution Changes

- Incrementally increases the member contribution percentage a total of 2.00 percent as follows:
 - 0.75% on July 1, 2019.
 - 0.75% on July 1, 2020.
 - 0.50% on July 1, 2021.
- Increase employer contributions 0.25% on July 1, 2019, for all divisions except for the Local Government Division.
- PERA will receive an annual direct distribution from the State in the amount of 225 million (in actual dollars). The distribution will occur on July 1, 2018, and on July 1 each year thereafter until there are no unfunded actuarial accrued liabilities in the trust fund of any division that received such distribution. PERA shall allocate the distribution to the trust funds as it would an employer contribution in a manner that is proportionate to the annual payroll of each division except there shall be no allocation to the Local Government Division.
- Beginning January 1, 2021, and every year thereafter, employer contribution rates for the Local Government and State Divisions will be adjusted to include a defined contribution supplement. The defined contribution supplement for these two divisions will be the employer contribution amount

PUEBLO COUNTY, COLORADO
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IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon, expressed as a percentage of salary on which employer contributions have been made.

Other Provisions

- Beginning July 1, 2020, and then each year thereafter, member contributions, employer contributions, the direct distribution from the State, and the AI will be adjusted based on certain statutory parameters to keep PERA on path to full funding in 30 years.
- Expands PERAChoice for new members hired on or after January 1, 2019, in the Local Government Division and to new members hired on or after January 1, 2019, who are classified college and university employees in the State Division.
- Increases the cost to disaffiliate for Local Government Division employers.
- Expands the existing Fire and Police Pension Reform Commission to include oversight of PERA and creates a new Subcommittee exclusively focused on PERA.
- PERA may share private equity and real estate investment information in an executive session of the legislative members of the Pension Review Commission unless confidentiality provision of contracts prohibit such disclosure.

At December 31, 2018, the County reported a liability of \$1,050,744 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.72%. For comparative purposes, the following schedule presents an estimate of what the County's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$ 498,255

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate the net pension liability, approximately \$468,888 of the estimated reduction is attributable

PUEBLO COUNTY, COLORADO
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IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

to the use of a 7.25% discount rate.

Other Post-Employment Benefits PERA

HEALTH CARE TRUST FUND

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

Funding Policy. The County is required to contribute a rate of 1.02% of the PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the County are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2017, 2016, and 2015, the County contributions to the HCTF were \$1,572, \$1,551, and \$1,551, respectively, equal to their required contributions for each year.

The PERA Retirement plan held by the District Attorney of Pueblo County, has OPEB benefits associated with it. However, the associated net OPEB liability, deferred outflows or resources, deferred inflows of resources and footnotes relating to these items, as well as required supplementary information have been excluded due to the insignificance of the overall amounts to the County financial statements.

Other Post Employment Benefits Plans (OPEB) Retiree Health and Life Insurance Plan

General Information about the OPEB Plan

Plan description. Employees who retire under the plan and current retirees under the plan are eligible to receive County sponsored postretirement medical and prescription drug coverage until age 65 if they pay the full premium rate, and are eligible for a life insurance benefit that is in force until their death, regardless of age.

Eligibility. Eligibility for full-time, permanent active employees is based on hire date:

- Employees hired before January 1, 2011: age 50 with 75 age and service points, or age 55 with 5 years of service.
- Employees hired on or after January 1, 2011: age 50 with 80 age and service points, or age 55 with 5 years of service.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

Service is defined as the continuous permanent full-time service period from the date of eligible employment (plus 30 days and the first of the next month) with the County to the date of termination of such employment.

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

Active	1,100
Retirees	572
Covered Spouses	<u>15</u>
Total	<u>1,687</u>

Benefits provided. Participants choose from 4 plan design options. Coverage is available for retired members and eligible dependents, up to member/dependent age 65. Members are required to contribute the full premium, leaving the County with a liability produced by an implicit subsidy, due to active employees and retirees being rated together.

In addition, all retirees are eligible for a life insurance benefit that is in force until their death, regardless of age. This benefit has a face amount of \$2,000 and is paid by the County.

Changes in the Net OPEB Liability

The plan operates on a pay-as-you-go basis and thus, has no assets. At December 31, 2018, Pueblo County reported a net OPEB liability of \$6,913,452. The net OPEB liability was measured as of December 31, 2017.

The following table outlines the changes in net OPEB liability for the fiscal year ending December 31, 2018. The benefit payments shown include an estimate of the implicit subsidy based on valuation results and life insurance premiums.

Net OPEB Liability at 12/31/2017	\$ 6,130,454
Service Cost	424,260
Interest	239,525
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions	318,054
Benefit Payments	<u>(198,841)</u>
Net change in Total OPEB Liability	<u>782,998</u>
Net OPEB Liability at 12/31/2018	<u>\$ 6,913,452</u>

OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, Pueblo County recognized OPEB expenses of \$712,417. At December

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ -
Difference in Changes of Assumptions	269,422	-
Total	<u>\$ 269,422</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year Ended	
2019	\$ 48,632
2020	48,632
2021	48,632
2022	48,632
2023	48,632
Thereafter	<u>26,262</u>
	<u>\$ 269,422</u>

Actuarial Assumptions. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age Normal, Level Percent of Salary
Asset Valuation	N/A
Discount Rate	3.16%
Future Salary Increase	Varies by Year of Service, From 3.5% - 5.5%

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

Covered health care and prescription drug expenses were assumed to increase by the percentages shown in the following table:

Year	Trend Rate
2018	8.00%
2019	7.50%
2020	7.00%
2021	6.00%

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

2022	5.50%
2023	5.00%
2024+	4.50%

Sensitivity of Pueblo County's net OPEB liability to changes in the Health Care Cost Trend Rates. The following table depict the sensitivity of the net OPEB liability due to changes in health care cost trend rates which are required under GASB No. 75.

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Net OPEB Liability	\$6,341,607	\$6,913,452	\$7,577,128

Discount rate. The discount rate at the measurement date is 3.16%. Benefit payments are funded on a pay-as-you go basis. The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 29, 2017. The discount rate at the previous measurement date is 3.71% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 30, 2016.

Sensitivity of Pueblo County's net OPEB liability to changes in the discount rate. The following table depict the sensitivity of the net OPEB liability due to changes in the discount rate which are required under GASB No. 75.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 7,548,206	\$ 6,913,452	\$ 6,349,974

The PERA Retirement plan held by the District Attorney of Pueblo County has OPEB benefits associated with it in the form of deferred outflows of resources, deferred inflows of resources and net OPEB liability. However, the associated footnotes relating to these items as well as Required Supplementary Information have been excluded due to the insignificance of the overall amounts to the County financial statements.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES, Continued

NOTE C - OTHER REPORTING ENTITY DISCLOSURES

STATEMENT OF NET POSITION

Condensed Financial Statements – Discretely Presented Component Units

	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc.	Total
ASSETS			
Cash and Cash Equivalents	\$ 129,815	\$ 157,480	\$ 287,295
Investments	-	79,366	79,366
Other Receivables, Net	80,532	-	80,532
Notes Receivable	-	23,400	23,400
Capital Assets:			
Machinery and Equipment	298,310	-	298,310
Less Accumulated Depreciation	(263,433)	-	(263,433)
Total Capital Assets, net	34,877	-	34,877
TOTAL ASSETS	245,224	260,246	505,470
LIABILITIES			
Accounts Payable and Accrued Expenses	184,831	3,810	188,641
TOTAL LIABILITIES	184,831	3,810	188,641
NET POSITION			
Net Investment in Capital Assets	34,877	-	34,877
Unrestricted	25,516	256,436	281,952
TOTAL NET POSITION	\$ 60,393	\$ 256,436	\$ 316,829

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES, Continued

NOTE C - OTHER REPORTING ENTITY DISCLOSURES, Continued

STATEMENT OF ACTIVITIES

Condensed Financial Statements – Discretely Presented Component Units

	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc	Total
EXPENSES:			
Public Safety:			
Administration	\$ 660,052	\$ -	\$ 660,052
Depreciation	24,152	-	24,152
Culture and Recreation:			
Baseball Park Operations:			
Personnel Services	-	369,384	369,384
Team Expenses	-	141,948	141,948
Concession Stand	-	130,231	130,231
Field Supplies	-	83,098	83,098
Office Supplies	-	4,721	4,721
Professional Services	-	17,807	17,807
Insurance	-	24,123	24,123
Administrative Costs	-	26,536	26,536
Contribution of Capital Assets to Pueblo County	-	61,596	61,596
TOTAL EXPENSES	684,204	859,444	1,543,648
PROGRAM REVENUES:			
Charges for Services	628,412	672,215	1,300,627
Operating Grants & Contributions	-	111,400	111,400
TOTAL PROGRAM REVENUES	628,412	783,615	1,412,027
 NET (EXPENSE) REVENUE	 (55,792)	 (75,829)	 (131,621)
GENERAL REVENUES			
Interest Income	2,672	1,512	4,184
TOTAL GENERAL REVENUES	2,672	1,512	4,184
CHANGE IN NET POSITION	(53,120)	(74,317)	(127,437)
NET POSITION, Beginning of Year, As Restated	113,513	330,753	444,266
NET POSITION, End of Year	\$ 60,393	\$ 256,436	\$ 316,829

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES, Continued

NOTE C - OTHER REPORTING ENTITY DISCLOSURES, Continued

STATEMENT OF CASH FLOWS

Condensed Financial Statements – Discretely Presented Component Units

	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 616,106	\$ 672,215	\$ 1,288,321
Payments to Suppliers	(205,362)	(490,060)	(695,422)
Payments to Employees	(307,647)	(369,088)	(676,735)
Net Cash Used by Operating Activities	<u>103,097</u>	<u>(186,933)</u>	<u>(83,836)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Grants & Contributions	<u>-</u>	<u>111,400</u>	<u>111,400</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments	-	(17,917)	(17,917)
Sale of Investments	-	10,192	10,192
Interest Received	2,672	1,512	4,184
Advances on Notes Receivable	<u>-</u>	<u>(23,400)</u>	<u>(23,400)</u>
Net Cash Provided (Used) by Investing Activities	<u>2,672</u>	<u>(29,613)</u>	<u>(26,941)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	105,769	(105,146)	623
CASH AND CASH EQUIVALENTS			
AT BEGINNING OF YEAR (as restated)	<u>24,046</u>	<u>262,626</u>	<u>286,672</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 129,815</u></u>	<u><u>\$ 157,480</u></u>	<u><u>\$ 287,295</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(55,792)	(187,229)	(243,021)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	24,152	-	24,152
Change in Assets and Liabilities -			
Accounts Receivable	(12,306)	-	(12,306)
Accounts Payable and Accrued Expenses	147,043	296	147,339
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ 103,097</u></u>	<u><u>\$ (186,933)</u></u>	<u><u>\$ (83,836)</u></u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES, Continued

NOTE C - OTHER REPORTING ENTITY DISCLOSURES, Continued

JOINT VENTURES

PUEBLO REGIONAL BUILDING DEPARTMENT

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

PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

The Pueblo Department of Public Health and Environment (the Department) is also a joint venture between the City of Pueblo and the County of Pueblo. The Department was created in 1952 for the purpose of providing public health care services to the residents of the City and County of Pueblo. A portion of the Department's revenues are composed of subsidies from the City and County of Pueblo, with the County's portion totaling \$978,300 for 2018. The governing body of the Department is composed of five members, two of which are appointed by the County, two are appointed by the City of Pueblo, and one member is jointly appointed.

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

HISTORIC ARKANSAS RIVERWALK AUTHORITY

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES, Continued

NOTE C - OTHER REPORTING ENTITY DISCLOSURES, Continued

JOINT VENTURES, Continued

The Authority is required to submit an annual budget to each of the participants, except the Board. The budget is to include a specific line item for each participant's subsidy, except the Board's. The governing body of each participant, in its sole discretion, shall approve such budgeted specific line item for appropriation to the Authority in an amount equal to, greater or less than the amount contained in the annual plan and budget. During 2018, the County appropriated \$196,951 to the Authority. Complete financial statements for the Authority can be obtained from their administrative office located at 125 Riverwalk Place, Pueblo, Colorado.

JOINTLY GOVERNED ORGANIZATION

PUEBLO AREA COUNCIL OF GOVERNMENTS (PACOG)

PACOG was formed in 1971 to serve as an inter-local advisory board through which local governmental entities may be aided in dealing with issues of common interest that transcend geographic borders to include a comprehensive regional planning process. PACOG's governing body is composed of 15 members, of which three are County commissioners. The County's accountability is limited to making these appointments. During 2018, the County appropriated \$37,733 to PACOG.

NOTE D - TAX ABATEMENTS

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

For the year ending December 31, 2018, The County abated \$6,927,675 in business personal property taxes. The following includes all active tax abatement agreements entered into by the County:

A 50% business personal property tax abatement to an energy provider in connection with the construction of an additional coal – powered electric generating plant in Pueblo County. The full term of the credit began in 2012 and will continue through 2021. The abatement for 2018 amounted to \$4,193,136, of which 100% was collected and then refunded.

A 50% business personal property tax abatement to an electric provider in connection with the construction and installation of two 90-megawatt LMS 100 natural gas fired turbines, two 100-megawatt natural gas fired combined cycle plants, a 115-KV switchyard and supporting facilities used for the purpose of generating electricity for the provider to serve the needs of its customers in its certified service territory. The full term of the agreement began in 2012 and will continue for 10 consecutive years through 2021. The abatement for 2018 amounted to \$1,777,500 of which 100% was collected and then refunded.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES, Continued

NOTE D - TAX ABATEMENTS , Continued

A 50% business personal property tax abatement to a distributor and marketer of cement, ready-mixed concrete, aggregates and innovative products related to the construction industries in Mexico and the United States. The company established a new business facility as a cement plant and limestone quarry operation located in an enterprise zone. The construction of the new business facility was completed in 2008 and commenced operation. The application of incentives began in 2010 and will continue through 2019. The abatement for 2018 amounted to \$948,329 and was treated as a credit.

A 100% business personal property tax abatement of the amount determined and assessed by the County Assessor to a solar company with renewable energy assets located in Pueblo County. The “Renewable Energy Fixture” meets necessary requirements to receive an annual ad valorem tax credit. The tax credit began in 2009 and will continue through 2029. The abatement for 2018 amounted to \$8,710 and was treated as a credit.

NOTE E - COMMITMENTS AND CONTINGENCIES

1. Grants and Other. The County participates in a number of federal and state assisted grant programs. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audit could become a liability of the County. In the opinion of management, however, any such disallowed claims will not have a material effect on the financial statements of the County as of and for the year ended December 31, 2018.

The County is responsible for administering certain federal and state social services programs for which the related revenue and expenditures are not included in the accompanying financial statements since the State of Colorado makes the grant disbursements. The following schedule lists Pueblo County electronic benefit transfer authorizations, warrant expenditures, and total expenditures associated with the human services special revenue fund for the year ended December 31, 2018:

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES, Continued

NOTE E - COMMITMENTS AND CONTINGENCIES, Continued

	A	B	C	D	E	F
	<u>County EBT/EFT</u>				County EBT/EFT Authorizations Plus Expenditures by County Warrant	Total Expenditures
Program	Authorizations	Refunds	County Share of Authorizations	Expenditures by County Warrant	(Col.A+Col.B+Col.D)	(Col.C+Col.D)
Regular Administration*	\$ 1,177,174	\$ (1,839)	\$ 64,516	\$ 7,345,771	\$ 8,521,106	\$ 7,410,287
Single Entry Point	-	-	-	2,215,145	2,215,145	2,215,145
Special Child Welfare	-	-	-	1,100,414	1,100,414	1,100,414
General Assistance	-	-	-	-	-	-
Aid to the Needy						
Disabled	1,670,889	(441,392)	245,899	37,731	1,267,228	283,630
Child Support						
Enforcement	-	(620,567)	(124,113)	2,424,779	1,804,212	2,300,666
Child Care	3,025,309	(4,058)	394,938	414,406	3,435,657	809,344
Old Age Pension	3,871,807	(74,891)	-	105,812	3,902,728	105,812
Low-Income Energy						
Assistance Program	3,883,463	(7,334)	-	321,032	4,197,161	321,032
Core Services	743,185	-	59,787	1,895,750	2,638,935	1,955,537
Child Welfare**	5,585,044	(106,051)	956,530	6,741,191	12,220,184	7,697,721
Colorado Works (TANF)	10,071,929	(297,093)	1,767,482	2,091,906	11,866,742	3,859,388
IV-E Funds Pass Through	-	-	-	-	-	-
Employment First	47,005	(114)	-	399,135	446,026	399,135
Medicaid Transportation	-	-	-	69,328	69,328	69,328
Other Grants	-	-	-	443,876	443,876	443,876
Subtotal	30,075,805	(1,553,339)	3,365,039	25,606,276	54,128,742	28,971,315
Food Assistance	54,435,003	(623,280)	-	-	53,811,723	-
Total	<u>\$ 84,510,808</u>	<u>\$(2,176,619)</u>	<u>\$ 3,365,039</u>	<u>\$ 25,606,276</u>	<u>\$ 107,940,465</u>	<u>\$ 28,971,315</u>

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

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

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

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

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

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

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES, Continued

NOTE E - COMMITMENTS AND CONTINGENCIES, Continued

2. Encumbrances. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as a management control device. Encumbrances do not constitute expenditures or liabilities because the commitment is appropriated and honored during the subsequent fiscal year. Encumbrances outstanding at December 31, 2018 for governmental funds are as follows:

General Fund	\$ 184,582
Human Services	7,461
Non-Major Funds	<u>27,007</u>
	<u>\$ 219,050</u>

3. Legal Debt Margin. Based on Colorado state statutes, the County's indebtedness for general obligation bonds shall not exceed three percent of actual value as determined by the last final assessment of the taxable property within the County. General obligation debt outstanding at December 31, 2018, totaled \$1,090,000. Pursuant to Colorado state statutes (C.R.S 24-90-112.5), the general obligation library bonds (Pueblo Library District Project) series 2005 are not subject to such limitation. Therefore, at December 31, 2018, the County's debt limit was \$402,883,746 and the debt margin was \$402,883,746.

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

5. Conduit Debt Obligations.

Industrial Revenue Bonds. From time to time, the County issues industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received from private sector entities. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity. Neither the County, state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2018, there were several series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$32,379,566.

6. Operating Leases. The County has entered into various non-cancelable operating leases for property and equipment; however, all of these leases are subject to annual appropriation by the Board of County Commissioners. Expenditures/Expenses incurred in 2018 for operating leases were \$779,515 in the governmental funds and \$0 in the proprietary fund.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

IV -OTHER NOTE DISCLOSURES, Continued

NOTE E - COMMITMENTS AND CONTINGENCIES, Continued

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

<u>Year Ended December 31,</u>	<u>Lease Payments</u>
2019	\$ 379,654
2020	48,550
2021	44,850
2022	46,150
	<u>\$ 519,204</u>

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

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

8. Other Commitments. The County has pledged to contribute to the Young Men's Christian Association (YMCA) a total of \$2,000,000 payable in equal installments of \$200,000 per year for 10 years beginning in 2008 subject to available funds annually. The purpose of this pledge is to cooperatively promote, advance and provide recreational facilities, activities and opportunities for the citizens of Pueblo County. This contribution was made to the YMCA as part of their capital campaign and the yearly payment is subject to annual appropriation by the Board of County Commissioners. The County's installments have been reduced to \$100,000 from 2013 to 2018 but no modification to the original commitment has been authorized by the Board of County Commissioners.

9. Subsequent Events. Subsequent to December 31, 2018, the County awarded various contracts for infrastructure improvements, building construction and improvements, equipment purchases, professional services, public safety, economic development and community service commitments totaling \$21,238,883.

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

PUEBLO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	Budget	with Final
			Basis	Budget -
				Positive
				(Negative)
REVENUES				
Taxes:				
Property Taxes, Net	\$ 41,396,303	\$ 42,214,628	\$ 42,349,464	\$ 134,836
Specific Ownership Taxes	3,665,000	3,665,000	4,316,179	651,179
Sales and Use Taxes	17,946,000	17,946,000	20,018,520	2,072,520
Fees and Fines	89,000	89,000	65,883	(23,117)
Licenses and Permits	2,497,000	2,497,000	1,590,780	(906,220)
Intergovernmental	12,106,704	13,112,937	9,190,878	(3,922,059)
Charges for Services	7,049,532	7,059,532	6,715,680	(343,852)
Investment Earnings	400,000	400,000	1,002,952	602,952
Miscellaneous	2,202,835	2,224,835	2,417,907	193,072
Transfers In	240,950	240,950	379,308	138,358
Insurance Proceeds	50,000	50,000	60,085	10,085
TOTAL REVENUES	<u>87,643,324</u>	<u>89,499,882</u>	<u>88,107,636</u>	<u>(1,392,246)</u>
EXPENDITURES				
Elected Office				
County Commissioners	43,337,409	45,476,390	43,704,588	1,771,802
County Sheriff	26,536,592	26,936,593	26,846,918	89,675
County Sheriff Grants	9,048,955	9,248,954	6,965,949	2,283,005
District Attorney	3,890,509	4,060,509	4,008,748	51,761
District Attorney Grants	250,018	250,018	313,155	(63,137)
County Clerk/Recorder	2,698,882	2,773,882	2,757,201	16,681
Assessor	1,635,428	1,635,428	1,576,937	58,491
Treasurer	907,070	907,070	911,723	(4,653)
County Coroner	660,570	695,570	682,714	12,856
County Surveyor	12,300	13,300	12,612	688
TOTAL EXPENDITURES	<u>88,977,733</u>	<u>91,997,714</u>	<u>87,780,545</u>	<u>4,217,169</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER				
EXPENDITURES	<u>\$ (1,334,409)</u>	<u>\$ (2,497,832)</u>	<u>\$ 327,091</u>	<u>\$ 2,824,923</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,334,409)</u>	<u>\$ (2,497,832)</u>	<u>\$ 327,091</u>	<u>\$ 2,824,923</u>
FUND BALANCE - January 1	<u>15,361,001</u>	<u>15,361,001</u>	<u>17,543,222</u>	<u>2,182,221</u>
FUND BALANCE - December 31	<u>\$ 14,026,592</u>	<u>\$ 12,863,169</u>	<u>\$ 17,870,313</u>	<u>\$ 5,007,144</u>

PUEBLO COUNTY, COLORADO
RECONCILIATION OF THE BUDGETARY BASIS OF ACCOUNTING
TO GAAP BASIS OF ACCOUNTING
GENERAL FUND
YEAR ENDED DECEMBER 31, 2018

Budgetary Basis

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

REVENUES

Actual Amounts (Budgetary Basis) Total Revenues from the Budgetary Comparison Schedule	\$ 88,107,636
--	---------------

Transfers In and Insurance Proceeds are reported as Other Financing Sources for GAAP reporting purposes	(439,393)
---	-----------

Differences - Budget to GAAP

Unrealized gain (loss) on investments are included in determining investment earnings for GAAP reporting purposes but are not budgetary resources (uses).	<u>(153,121)</u>
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GAAP Basis Revenues	\$ 87,515,122
---------------------	---------------

EXPENDITURES

Actual Amounts (Budgetary Basis) Total Expenditures from the Budgetary Comparison Schedule	\$ 87,780,545
--	---------------

Transfers Out are reported as Other Financing Sources for GAAP reporting purposes.	(974,236)
--	-----------

Differences - Budget to GAAP

Economic development funding advances forgiven when employment requirements are satisfied, are expenditures for GAAP reporting purposes but are not expenditures of budgetary resources.	<u>588,857</u>
--	----------------

GAAP Basis Expenditures	<u><u>\$ 87,395,166</u></u>
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FUND BALANCE, December 31

Actual (non-GAAP Basis) Amount	\$ 17,870,313
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Differences - Budget to GAAP

Notes Receivable	245,364
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Unrealized Gain (Loss) on Investments	<u>(851,929)</u>
---------------------------------------	------------------

GAAP Basis Fund Balance, December 31	<u><u>\$ 17,263,748</u></u>
--------------------------------------	-----------------------------

**PUEBLO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Budget Basis	(Negative)
REVENUES				
Property Taxes, Net	\$ 4,117,896	\$ 4,117,896	\$ 4,283,316	\$ 165,420
Specific Ownership Taxes	385,000	385,000	433,736	48,736
Intergovernmental	27,689,909	27,689,909	24,904,430	(2,785,478)
Miscellaneous	19,000	19,000	8,303	(10,697)
TOTAL REVENUES	32,211,805	32,211,805	29,629,785	(2,582,019)
EXPENDITURES				
Administration	8,882,572	8,882,572	6,764,004	2,118,568
Single Entry Point	2,668,550	2,668,550	2,194,896	473,654
IV-E Independent Living	107,000	107,000	105,931	1,069
Adult Protective Services	933,100	933,100	636,013	297,087
Special Child Welfare	1,227,000	1,227,000	1,100,414	126,586
General Assistance	1,000	1,000	-	1,000
Home Care Basic Service	94,400	94,400	96,863	(2,463)
Temporary Assistance to Needy Families	1,500,000	1,500,000	1,738,451	(238,451)
Aid to Needy Disabled	450,000	450,000	283,630	166,370
Administration IV-D	2,377,200	2,377,200	2,294,999	82,201
One Time Grants	362,300	362,300	478,856	(116,556)
Child Care	732,000	732,000	807,331	(75,331)
Old Age Pension	96,000	96,000	105,813	(9,813)
LEAP Program	314,550	314,550	321,032	(6,482)
Core Services	1,838,800	1,838,800	1,955,542	(116,742)
Child Welfare	8,664,471	8,664,471	7,577,185	1,087,286
Temporary Assistance to Needy Families Administration	2,542,641	2,542,641	2,068,134	474,507
Employment First	190,050	190,050	369,751	(179,701)
Medicaid Transportation	200,000	200,000	69,328	130,672
EPSDT Contract	-	-	3,142	(3,142)
TOTAL EXPENDITURES	33,181,634	33,181,634	28,971,315	4,210,319
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(969,829)	(969,829)	658,470	1,628,300
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(369,271)	(369,271)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(369,271)	(369,271)
NET CHANGE IN FUND BALANCE	(969,829)	(969,829)	289,199	1,259,029
FUND BALANCE - January 1	4,586,461	4,586,461	2,516,955	(2,069,506)
FUND BALANCE - December 31	\$ 3,616,632	\$ 3,616,632	\$ 2,806,154	\$ (810,477)

PUEBLO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Budget	Variance with Final Budget - Positive (Negative)
	Original	Final	Basis	
Revenues				
Taxes:				
Property Taxes, Net	\$ 1,586,659	\$ 1,586,659	\$ 1,623,912	\$ 37,253
Specific Ownership Taxes	135,000	135,000	161,559	26,559
Sales and Use Taxes	2,509,000	2,509,000	2,845,196	336,196
State Highway Users Tax	5,132,000	5,132,000	5,861,412	729,412
Licenses and Permits	6,000	6,000	4,375	(1,625)
Intergovernmental	3,988,000	3,988,000	383,511	(3,604,489)
Charges for Services	-	540,000	278,399	(261,601)
Investment Earnings	70,000	70,000	107,020	37,020
Other Revenues	6,000	6,000	14,785	8,785
Total Revenues	13,432,659	13,972,659	11,280,169	(2,692,490)
Expenditures				
Highways and Streets	11,506,425	11,506,425	6,706,662	4,799,763
Capital Outlay	6,207,425	6,207,425	2,751,308	3,456,117
Intergovernmental	1,982,200	1,982,200	2,089,006	(106,806)
Total Expenditures	19,696,050	19,696,050	11,546,976	8,149,074
Excess (Deficiency) of Revenues Over Expenses	(6,263,391)	(5,723,391)	(266,807)	5,456,584
Other Financing Sources (Uses)				
Transfers In	200,000	200,000	200,000	-
Total Other Financing Sources (Uses)	200,000	200,000	200,000	-
Net Change in Fund Balances	(6,063,391)	(5,523,391)	(66,807)	5,456,584
Fund Balances - January 1	12,227,424	12,227,424	12,048,637	(178,787)
Fund Balance - December 31	\$ 6,164,033	\$ 6,704,033	\$ 11,981,830	\$ 5,277,797

PUEBLO COUNTY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018

BUDGETARY INFORMATION

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

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

PUEBLO COUNTY, COLORADO
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION
LIABILITY AND RELATED RATIOS
PUEBLO COUNTY OFFICERS AND EMPLOYEES PENSION PLAN
YEAR ENDED DECEMBER 31, 2018

	2018	2017	2016	2015	2014
Service Cost	\$ 4,815,315	\$ 4,789,174	\$ 4,742,577	\$ 4,629,907	\$ 4,526,130
Interest	16,520,443	15,963,697	15,292,143	14,661,297	14,004,548
Difference Between Expected and Actual Experience	(816,294)	576,107	-	(115,094)	-
Benefit Payments, Including Refunds of Employee Contributions	(13,249,815)	(12,068,609)	(11,338,141)	(10,416,858)	(9,338,745)
Net Change in Total Pension Liability	7,269,649	9,260,369	8,696,579	8,759,252	9,191,933
Total Pension Liability - Beginning	222,778,687	213,518,318	204,821,739	196,062,487	186,870,554
Total Pension Liability - Ending (a)	\$ 230,048,336	\$ 222,778,687	\$ 213,518,318	\$ 204,821,739	\$ 196,062,487
Plan Fiduciary Net Position					
Contributions - Employer	\$ 4,312,725	\$ 4,174,199	\$ 4,063,248	\$ 3,829,376	\$ 3,740,328
Contributions - Employee	4,312,725	4,174,199	4,063,248	3,829,376	3,740,328
Net Investment Income	(4,413,256)	15,427,853	9,550,186	(1,780,361)	7,550,628
Benefit Payments, Including Refunds of Employee Contributions	(13,249,815)	(12,068,609)	(11,338,141)	(10,416,858)	(9,338,745)
Administrative Expense	(248,577)	(215,657)	(202,669)	(218,622)	(203,244)
Net Change in Plan Fiduciary Net Position	(9,286,198)	11,491,985	6,135,872	(4,757,089)	5,489,295
Plan Fiduciary Net Position - Beginning	141,163,098	129,671,113	123,535,241	128,292,330	122,803,035
Plan Fiduciary Net Position - Ending (b)	\$ 131,876,900	\$ 141,163,098	\$ 129,671,113	\$ 123,535,241	\$ 128,292,330
County's Net Position Liability - Ending (a) - (b)	\$ 98,171,436	\$ 81,615,589	\$ 83,847,205	\$ 81,286,498	\$ 67,770,157
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.33 %	63.36 %	60.73 %	60.31 %	65.43 %
Covered Payroll	\$ 51,947,136	\$ 50,416,212	\$ 48,134,904	\$ 45,771,420	\$ 44,584,080
County's Net Pension Liability as a Percentage of Covered Payroll	188.98 %	161.88 %	174.19 %	177.59 %	152.01 %

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

PUEBLO COUNTY, COLORADO
SCHEDULE OF COUNTY'S CONTRIBUTIONS
PUEBLO COUNTY OFFICERS AND EMPLOYEES' PENSION PLAN
YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 7,318,741	\$ 7,146,655	\$ 6,879,301	\$ 6,336,287	\$ 7,381,676
Contributions in Relation to the Actuarially Required Contribution	<u>4,312,725</u>	<u>4,174,199</u>	<u>4,063,248</u>	<u>3,829,376</u>	<u>3,740,328</u>
Contribution Deficiency (Excess)	\$ <u>3,006,016</u>	\$ <u>2,972,456</u>	\$ <u>2,816,053</u>	\$ <u>2,506,911</u>	\$ <u>3,641,348</u>
County's Covered Payroll	\$ 51,947,136	\$ 50,416,212	\$ 48,134,904	\$ 45,771,420	\$ 44,584,080
Contributions as a Percentage of Covered Payroll	8.30 %	8.28 %	8.44 %	8.37 %	8.39 %

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

PUEBLO COUNTY, COLORADO
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
COLORADO PUBLIC EMPLOYEE'S RETIREMENT ASSOCIATION
STATE DIVISION TRUST FUND
YEAR ENDED DECEMBER 31, 2018

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's Proportion of the Net Pension Liability	0.005249 %	0.005337 %	0.005469 %	0.005646 %
County's Proportionate Share of the Net Pension Liability	1,050,744	980,398	575,942	531,092
County's Covered Payroll	154,012	152,066	152,030	152,030
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	682.25 %	644.72 %	378.83 %	349.33 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43.20 %	56.10 %	56.10 %	59.80 %

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

PUEBLO COUNTY, COLORADO
SCHEDULE OF COUNTY'S CONTRIBUTIONS
COLORADO PUBLIC EMPLOYEE'S RETIREMENT ASSOCIATION
STATE DIVISION TRUST FUND
YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 29,908	\$ 29,462	\$ 27,722	\$ 26,347	\$ 24,979
Contributions in Relation to the Contractually Required Contribution	<u>29,908</u>	<u>29,462</u>	<u>27,722</u>	<u>26,347</u>	<u>24,979</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
County's Covered Payroll	156,341	154,012	152,066	152,030	152,030
Contributions as a Percentage of Covered Payroll	19.13 %	19.13 %	18.23 %	17.33 %	16.43 %

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

PUEBLO COUNTY, COLORADO
SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS
PUEBLO COUNTY RETIREE HEALTH AND LIFE INSURANCE PLAN
YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$424,260
Interest	239,525
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions	318,054
Benefit Payments	<u>(198,841)</u>
Net Change in Total OPEB Liability	782,998
Total OPEB Liability - Beginning	<u>6,130,454</u>
Total OPEB Liability - Ending	<u><u>\$ 6,913,452</u></u>
 Covered-Employee Payroll	 \$51,987,276
 County's Net OPEB Liability as a Percentage of Covered-Employee Payroll	 13.30%

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SUPPLEMENTAL INFORMATION

PUEBLO COUNTY, COLORADO
EXPLANATION OF FUNDS
DECEMBER 31, 2018

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

The **Department of Aging Services Fund** accounts for the management of federal aging grant funds received. Services are provided by the County as well as other entities providing services and nutrition to the aged. After the 2018 fiscal year this fund's operations as well as accounting activities will be combined with the major Human Services Fund.

The **Marijuana Excise Tax Fund** accounts for the excise taxes paid on marijuana plants grown in the County and accounts for community programs and scholarships funded by these revenues.

The **Housing and Human Services Fund** accounts for the administration of federal, state and private grants. The various grants provide funding for a ten-county service area weatherization program, a housing rehabilitation and down payment assistance program, and a USDA commodities food distribution and emergency food assistance program, all to low-and-moderate income households. After the 2018 fiscal year this fund's operations as well as accounting activities will be combined with the major Human Services Fund.

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

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

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

PUEBLO COUNTY, COLORADO
EXPLANATION OF FUNDS
DECEMBER 31, 2018

NON-MAJOR GOVERNMENTAL FUNDS, continued

Capital Projects Funds

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

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

Debt Service Fund

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

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

Fiduciary Funds

Agency Funds

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

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

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

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

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NON-MAJOR GOVERNMENTAL FUNDS

PUEBLO COUNTY, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	Special Revenue				
	Employee Retirement	Board of Developmental Disabilities	Pueblo County Housing	Conservation Trust	Department of Aging Services
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	2,291,821	8,164	361,030	173,627	625,372
Receivables, Net					
Taxes	3,069,092	449,220	-	-	-
Grants	-	-	-	-	190,176
Notes	-	-	368,227	-	-
Due from Other Governments	145	-	-	-	-
Other Agencies	-	-	-	-	-
Other	-	21	-	-	-
Inventories	-	-	-	-	-
Due from Other Funds	96,100	-	-	1,885	-
Cash and Cash Equivalents - Restricted	-	-	-	-	-
TOTAL ASSETS	\$ 5,457,158	\$ 457,405	\$ 729,257	\$ 175,512	\$ 815,548
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 761,513	\$ 4,051	\$ 9,121	\$ 3,401	\$ 664,923
Payable from Debt Proceeds	-	-	-	-	-
Due to Other Funds	-	-	50,000	-	1,236
Other Accrued Liabilities	1,008	-	-	-	2
Advance from Other Funds	-	-	-	-	40,000
TOTAL LIABILITIES	762,521	4,051	59,121	3,401	706,161
DEFERRED INFLOWS OF RESOURCES	3,069,092	449,220	-	-	-
FUND BALANCES					
Restricted	1,625,545	4,134	670,136	172,111	109,387
Assigned	-	-	-	-	-
TOTAL FUND BALANCES	1,625,545	4,134	670,136	172,111	109,387
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,457,158	\$ 457,405	\$ 729,257	\$ 175,512	\$ 815,548

Special Revenue (Continued)					Capital Projects		Debt Service	
Housing and Human Services	Excise Tax	Detention Commissary	Subdivision Park Site Fee	Fire Hydrant Impact Fee	Capital Expenditure	Capital Projects	Library Debt Service	Total Non-major Governmental Funds
\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200
175,448	1,156,546	287,056	125,324	98,967	1,653,137	85,716	106,162	7,148,370
-	195,318	-	-	-	131,153	-	1,033,890	4,878,673
529,448	-	-	-	-	-	-	-	719,624
-	-	-	-	-	-	-	-	368,227
-	-	-	-	-	-	-	-	145
-	-	-	-	-	1,400,000	-	-	1,400,000
2,217	-	9,902	-	-	-	-	-	12,140
179,700	-	-	-	-	-	-	-	179,700
122,748	348,339	-	-	-	36,540	-	-	605,612
-	-	-	-	-	5,781,281	194,708	-	5,975,989
<u>\$ 1,009,561</u>	<u>\$ 1,700,203</u>	<u>\$ 297,158</u>	<u>\$ 125,324</u>	<u>\$ 98,967</u>	<u>\$ 9,002,111</u>	<u>\$ 280,424</u>	<u>\$ 1,140,052</u>	<u>\$ 21,288,680</u>
\$ 312,400	\$ 47,926	\$ 25,424	\$ 2,455	\$ 1,938	\$ 268,823	\$ 1,679	\$ 2,229	\$ 2,105,883
-	-	-	-	-	825,716	-	-	825,716
15,840	-	-	-	-	-	-	-	67,076
1,577	-	-	-	-	-	-	-	2,587
355,000	-	-	-	-	-	-	-	395,000
<u>684,817</u>	<u>47,926</u>	<u>25,424</u>	<u>2,455</u>	<u>1,938</u>	<u>1,094,539</u>	<u>1,679</u>	<u>2,229</u>	<u>3,396,262</u>
179,700	-	-	-	-	-	-	1,033,890	4,731,902
145,044	1,652,277	-	122,869	97,029	5,781,281	194,708	103,933	10,678,454
-	-	271,734	-	-	2,126,291	84,037	-	2,482,062
<u>145,044</u>	<u>1,652,277</u>	<u>271,734</u>	<u>122,869</u>	<u>97,029</u>	<u>7,907,572</u>	<u>278,745</u>	<u>103,933</u>	<u>13,160,516</u>
<u>\$ 1,009,561</u>	<u>\$ 1,700,203</u>	<u>\$ 297,158</u>	<u>\$ 125,324</u>	<u>\$ 98,967</u>	<u>\$ 9,002,111</u>	<u>\$ 280,424</u>	<u>\$ 1,140,052</u>	<u>\$ 21,288,680</u>

PUEBLO COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018

	Special Revenue				
	Employee Retirement	Board of Developmental Disabilities	Pueblo County Housing	Conservation Trust	Department of Aging Services
REVENUES					
Taxes:					
Property Taxes, Net	\$ 3,066,248	\$ 448,803	\$ -	\$ -	\$ -
Specific Ownership Taxes	305,053	44,650	-	-	-
Sales and Use Taxes	-	-	-	-	-
Excise Taxes	-	-	-	-	-
Intergovernmental	32	5	100,000	379,331	1,613,585
Charges for Services	-	-	20,431	-	-
Investment Earnings	-	-	6,158	1,885	4,216
Contributions and Private Grants	-	-	-	-	-
Other Revenues	-	-	690	-	144
TOTAL REVENUES	3,371,333	493,458	127,279	381,216	1,617,945
EXPENDITURES					
Current:					
General Government	3,128,706	-	-	-	-
Public Safety	-	-	-	-	-
Health and Welfare	-	492,920	-	-	1,659,619
Culture and Recreation	-	-	-	115,100	-
Urban Development and Housing	-	-	99,975	-	-
Economic Development Assistance	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	3,128,706	492,920	99,975	115,100	1,659,619
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	242,627	538	27,304	266,116	(41,674)
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	(179,231)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(179,231)	-
NET CHANGE IN FUND BALANCES	242,627	538	27,304	86,885	(41,674)
FUND BALANCES - January 1	1,382,918	3,596	642,832	85,226	151,061
FUND BALANCES - December 31	\$ 1,625,545	\$ 4,134	\$ 670,136	\$ 172,111	\$ 109,387

Special Revenue (Continued)					Capital Projects		Debt Services	
Housing and Human Services	Excise Tax	Detention Commissary	Subdivision Park Site Fee	Fire Hydrant Impact Fee	Capital Expenditure	Capital Projects	Library Debt Service	Total Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,137,683	\$ 4,652,734
-	-	-	-	-	-	-	-	349,703
-	-	-	-	-	761,225	-	-	761,225
-	1,987,408	-	-	-	-	-	-	1,987,408
2,888,296	-	-	-	-	-	-	-	4,981,249
100	-	250,639	-	-	-	-	-	271,170
-	-	-	2,527	1,973	31,434	1,802	-	49,995
80,640	-	-	-	-	-	-	-	80,640
608,553	-	-	76	4,500	-	-	-	613,963
<u>3,577,589</u>	<u>1,987,408</u>	<u>250,639</u>	<u>2,603</u>	<u>6,473</u>	<u>792,659</u>	<u>1,802</u>	<u>1,137,683</u>	<u>13,748,087</u>
7,498	-	-	-	-	-	-	-	3,136,204
-	-	205,492	-	1,548	-	-	-	207,040
2,358,811	-	-	-	-	-	-	-	4,511,350
189,087	-	-	-	-	-	-	-	304,187
1,574,317	-	-	-	-	-	-	-	1,674,292
-	536,450	-	-	-	-	-	-	536,450
-	-	-	-	-	-	-	1,045,000	1,045,000
-	-	-	-	-	199,260	-	90,888	290,148
61,905	-	66,374	-	-	2,300,714	-	-	2,428,993
<u>4,191,618</u>	<u>536,450</u>	<u>271,866</u>	<u>-</u>	<u>1,548</u>	<u>2,499,974</u>	<u>-</u>	<u>1,135,888</u>	<u>14,133,664</u>
<u>(614,029)</u>	<u>1,450,958</u>	<u>(21,227)</u>	<u>2,603</u>	<u>4,925</u>	<u>(1,707,315)</u>	<u>1,802</u>	<u>1,795</u>	<u>(385,577)</u>
-	-	-	-	-	6,199,107	-	-	6,199,107
662,748	-	-	-	-	369,272	-	-	1,032,020
-	(446,011)	-	-	-	-	(77)	-	(625,319)
<u>662,748</u>	<u>(446,011)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,568,379</u>	<u>(77)</u>	<u>-</u>	<u>6,605,808</u>
48,719	1,004,947	(21,227)	2,603	4,925	4,861,064	1,725	1,795	6,220,231
96,325	647,330	292,961	120,266	92,104	3,046,508	277,020	102,138	6,940,285
<u>\$ 145,044</u>	<u>\$ 1,652,277</u>	<u>\$ 271,734</u>	<u>\$ 122,869</u>	<u>\$ 97,029</u>	<u>\$ 7,907,572</u>	<u>\$ 278,745</u>	<u>\$ 103,933</u>	<u>\$ 13,160,516</u>

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SPECIAL REVENUE FUNDS

PUEBLO COUNTY, COLORADO
EMPLOYEE RETIREMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES			
Taxes -			
Property Taxes, Net	\$ 2,993,307	\$ 3,066,248	\$ 72,941
Specific Ownership Taxes	260,000	305,053	45,053
Intergovernmental - Other	-	32	32
TOTAL REVENUES	<u>3,253,307</u>	<u>3,371,333</u>	<u>118,026</u>
EXPENDITURES			
Personnel Services	108,284	88,975	19,309
Employer Contributions	<u>3,200,000</u>	<u>3,039,731</u>	<u>160,269</u>
TOTAL EXPENDITURES	<u>3,308,284</u>	<u>3,128,706</u>	<u>179,578</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(54,977)</u>	<u>242,627</u>	<u>297,604</u>
FUND BALANCE, January 1	<u>276,839</u>	<u>1,382,918</u>	<u>1,106,079</u>
FUND BALANCE, December 31	<u>\$ 221,862</u>	<u>\$ 1,625,545</u>	<u>\$ 1,403,683</u>

PUEBLO COUNTY, COLORADO
BOARD OF DEVELOPMENTAL DISABILITIES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES			
Taxes -			
Property Taxes, Net	\$ 453,539	\$ 448,803	\$ (4,736)
Specific Ownership Taxes	38,000	44,650	6,650
Intergovernmental - Other	-	5	5
TOTAL REVENUES	<u>491,539</u>	<u>493,458</u>	<u>1,919</u>
EXPENDITURES			
County Board Allocations	<u>495,751</u>	<u>492,920</u>	<u>2,831</u>
TOTAL EXPENDITURES	<u>495,751</u>	<u>492,920</u>	<u>2,831</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,212)	538	4,750
FUND BALANCE, January 1	<u>(10,358)</u>	<u>3,596</u>	<u>13,954</u>
FUND BALANCE, December 31	<u>\$ (14,570)</u>	<u>\$ 4,134</u>	<u>\$ 18,704</u>

PUEBLO COUNTY, COLORADO
PUEBLO COUNTY HOUSING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental -			
Federal Grants	\$ 458,740	\$ 100,000	\$ (358,740)
Collection of Revolving Loans	8,460	20,431	11,971
Interest	1,800	6,158	4,358
Other Revenue	-	690	690
Transfers In	15,000	-	(15,000)
TOTAL REVENUES	<u>484,000</u>	<u>127,279</u>	<u>(356,721)</u>
EXPENDITURES			
Housing Projects	<u>484,000</u>	<u>89,314</u>	<u>394,686</u>
TOTAL EXPENDITURES	<u>484,000</u>	<u>89,314</u>	<u>394,686</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	37,965	37,965
FUND BALANCE, January 1	<u>-</u>	<u>263,944</u>	<u>263,944</u>
FUND BALANCE, December 31	<u>\$ -</u>	301,909	<u>\$ 301,909</u>
Adjustment from Budgetary Basis to Generally Accepted Accounting Principles -			
Notes Receivable		<u>368,227</u>	
FUND BALANCE - Generally Accepted Accounting Principles		<u>\$ 670,136</u>	

PUEBLO COUNTY, COLORADO
CONSERVATION TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES			
Colorado Lottery Allotment	\$ 400,000	\$ 379,331	\$ (20,669)
Interest	-	1,885	1,885
TOTAL REVENUES	<u>400,000</u>	<u>381,216</u>	<u>(18,784)</u>
EXPENDITURES AND OTHER FINANCING USES			
Grants to Other Entities	225,000	115,100	109,900
Transfers to Other Funds	<u>175,000</u>	<u>179,231</u>	<u>(4,231)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>400,000</u>	<u>294,331</u>	<u>105,669</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	-	86,885	86,885
FUND BALANCE, January 1	<u>102,459</u>	<u>85,226</u>	<u>(17,233)</u>
FUND BALANCE, December 31	<u>\$ 102,459</u>	<u>\$ 172,111</u>	<u>\$ 69,652</u>

PUEBLO COUNTY, COLORADO
DEPARTMENT OF AGING SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental -			
Title III Grants -			
Administration	\$ 72,014	\$ 17,682	\$ (54,332)
Part B	206,692	140,584	(66,108)
Part C-1	162,336	123,595	(38,741)
Part C-2	221,150	204,636	(16,514)
Part E	83,476	51,693	(31,783)
Title VII Grants	11,740	14,202	2,462
State Older Coloradoans Program	928,944	919,422	(9,522)
City of Pueblo	10,300	10,000	(300)
Federal USDA	90,000	61,129	(28,871)
Other Grants	207,954	70,642	(137,312)
Interest	-	4,216	4,216
Charges for Services	-	144	144
TOTAL REVENUES	1,994,606	1,617,945	(376,661)
EXPENDITURES AND OTHER FINANCING USES			
Administration	131,352	97,989	33,363
Part B - Supportive Services	473,260	271,285	201,975
Part C-1 - Congregate Meals	162,336	123,595	38,741
Part C-2 - Home Delivered Meals	221,150	204,636	16,514
Cash in Lieu of Commodities	90,000	75,504	14,496
Elder Rights	11,516	37,801	(26,285)
Older Coloradoans Program	861,608	848,809	12,799
Transfers Out	44,500	-	44,500
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,995,722	1,659,619	336,103
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(1,116)	(41,674)	(40,558)
FUND BALANCE, January 1	111,391	151,061	39,670
FUND BALANCE, December 31	\$ 110,275	\$ 109,387	\$ (888)

PUEBLO COUNTY, COLORADO
HOUSING AND HUMAN SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES			
Intergovernmental -			
Low Income Energy Assistance Program	\$ 737,804	\$ 500,161	\$ (237,643)
Weatherization Assistance for Low-Income Persons	926,524	435,641	(490,883)
Commodity Administration	125,830	159,133	33,303
Community Service Block Grants	253,116	216,129	(36,987)
Community Development Block Grant ERESP	45,000	70,641	25,641
Commodity Supplemental Food Program	835,720	1,307,329	471,609
Emergency Shelter Grants Program	32,000	29,035	(2,965)
Housing Partnership Investment Program	11,500	94,521	83,021
State of Colorado Energy Grants	10,000	185	(9,815)
City of Pueblo Grant Review Partners	5,000	-	(5,000)
Contributions and Private Grants			
Public Service - Weatherization	170,220	80,640	(89,580)
Client Participation	-	75,521	75,521
Other-			
Miscellaneous	-	608,653	608,653
Transfers In	784,500	662,748	(121,752)
TOTAL REVENUES AND OTHER FINANCING SOURCES	3,937,214	4,240,337	303,123
EXPENDITURES			
McHarg Park Community Center	90,231	2,128	88,103
E\$P Weatherization	2,264,768	1,138,617	1,126,151
Client Weatherization Program	-	12,330	(12,330)
Crisis Intervention Program	-	6,024	(6,024)
Administration	16,500	12,159	4,341
Community Service Block Grant Programs	253,116	255,177	(2,061)
Emergency Shelter Program	32,000	20,363	11,637
Commodity Supplemental Food Program	116,204	125,881	(9,677)
Temporary Emergency Food Assistance	10,000	9,996	4
Commodity Distribution	850,000	1,307,329	(457,329)
Health Disparities Program	16,017	-	16,017
Housing Services	173,285	129,207	44,078
Emergency Repairs Seniors Program	90,000	82,709	7,291
City of Pueblo Grant Review Partners	64,590	1,089,698	(1,025,108)
TOTAL EXPENDITURES	3,976,711	4,191,618	(214,907)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(39,497)	48,719	88,216
FUND BALANCE, January 1	1,079,904	96,325	(983,579)
FUND BALANCE, December 31	\$ 1,040,407	\$ 145,044	\$ (895,363)

PUEBLO COUNTY, COLORADO
MARIJUANA EXCISE TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES			
Excise Tax	\$ 1,400,000	\$ 1,987,408	\$ 587,408
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>1,400,000</u>	<u>1,987,408</u>	<u>587,408</u>
EXPENDITURES			
Excise Tax Projects	1,160,489	536,450	624,039
Transfers Out	<u>311,961</u>	<u>446,011</u>	<u>134,050</u>
TOTAL EXPENDITURES	<u>1,472,450</u>	<u>982,461</u>	<u>758,089</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>(72,450)</u>	<u>1,004,947</u>	<u>1,077,397</u>
Fund Balances, Beginning of Year	<u>274,210</u>	<u>647,330</u>	<u>373,120</u>
Fund Balance, End of Year	<u>\$ 201,760</u>	<u>\$ 1,652,277</u>	<u>\$ 1,450,517</u>

PUEBLO COUNTY, COLORADO
DETENTION COMMISSARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES			
Contract Commissions	\$ 290,000	\$ 250,639	\$ (39,361)
TOTAL REVENUES	<u>290,000</u>	<u>250,639</u>	<u>(39,361)</u>
EXPENDITURES			
Inmate Services	207,000	205,492	1,508
Capital Outlay	<u>100,000</u>	<u>66,374</u>	<u>33,626</u>
TOTAL EXPENDITURES	<u>307,000</u>	<u>271,866</u>	<u>35,134</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,000)	(21,227)	(4,227)
FUND BALANCE, January 1	<u>151,546</u>	<u>292,961</u>	<u>141,415</u>
FUND BALANCE, December 31	<u>\$ 134,546</u>	<u>\$ 271,734</u>	<u>\$ 137,188</u>

PUEBLO COUNTY, COLORADO
SUBDIVISION PARK SITE FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment Earnings	\$ 1,000	\$ 2,527	\$ 1,527
Miscellaneous	1,000	76	(924)
TOTAL REVENUES	<u>2,000</u>	<u>2,603</u>	<u>603</u>
EXPENDITURES			
Recreation	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL EXPENDITURES	<u>10,000</u>	<u>-</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,000)	2,603	10,603
FUND BALANCE, January 1	<u>109,597</u>	<u>120,266</u>	<u>10,669</u>
FUND BALANCE, December 31	<u>\$ 101,597</u>	<u>\$ 122,869</u>	<u>\$ 21,272</u>

PUEBLO COUNTY, COLORADO
FIRE HYDRANT IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment Earnings	\$ 600	\$ 1,973	\$ 1,373
Miscellaneous	6,000	4,500	(1,500)
TOTAL REVENUES	<u>6,600</u>	<u>6,473</u>	<u>(127)</u>
EXPENDITURES			
Public Safety	<u>15,000</u>	<u>1,548</u>	<u>13,452</u>
TOTAL EXPENDITURES	<u>15,000</u>	<u>1,548</u>	<u>13,452</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,400)	4,925	13,325
FUND BALANCE, January 1	<u>79,813</u>	<u>92,104</u>	<u>12,291</u>
FUND BALANCE, December 31	<u><u>\$ 71,413</u></u>	<u><u>\$ 97,029</u></u>	<u><u>\$ 25,616</u></u>

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CAPITAL PROJECTS FUNDS

PUEBLO COUNTY, COLORADO
CAPITAL EXPENDITURES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES			
Taxes -			
Sales and Use Taxes	\$670,000	\$761,225	\$91,225
Intergovernmental - State Grants	1,000,000	-	(1,000,000)
Investment Earnings	-	31,434	31,434
Debt Proceeds	6,000,000	6,199,107	199,107
Transfers In	-	369,272	369,272
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>7,670,000</u>	<u>7,361,038</u>	<u>(308,962)</u>
EXPENDITURES			
Capital Outlay -			
Improvements, Other than Buildings	419,000	12,394	406,606
Improvements, Buildings	8,321,000	2,288,320	6,032,680
Current Fiscal Charges	-	199,260	(199,260)
TOTAL EXPENDITURES	<u>8,740,000</u>	<u>2,499,974</u>	<u>6,240,026</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(1,070,000)	4,861,064	5,931,064
FUND BALANCE, January 1	<u>4,491,786</u>	<u>3,046,508</u>	<u>(1,445,278)</u>
FUND BALANCE, December 31	<u>\$ 3,421,786</u>	<u>\$ 7,907,572</u>	<u>\$ 4,485,786</u>

PUEBLO COUNTY, COLORADO
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 1,802	\$ 1,802
TOTAL REVENUES	<u>-</u>	<u>1,802</u>	<u>1,802</u>
EXPENDITURES AND OTHER FINANCING USES			
Capital Outlay	200,000	-	200,000
Transfers Out	<u>-</u>	<u>77</u>	<u>(77)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>200,000</u>	<u>77</u>	<u>199,923</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(200,000)	1,725	201,725
FUND BALANCE, January 1	<u>274,896</u>	<u>277,020</u>	<u>196,680</u>
FUND BALANCE, December 31	<u>\$ 74,896</u>	<u>\$ 278,745</u>	<u>\$ 398,405</u>

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DEBT SERVICE FUND

PUEBLO COUNTY, COLORADO
LIBRARY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES			
Property Taxes, Net	\$ 1,132,437	\$ 1,137,683	\$ 5,246
TOTAL REVENUES	<u>1,132,437</u>	<u>1,137,683</u>	<u>5,246</u>
EXPENDITURES			
Current Fiscal Charges	500	150	350
Debt service -			
Principal	1,045,000	1,045,000	-
Interest and Fiscal Charges	<u>90,737</u>	<u>90,738</u>	<u>(1)</u>
TOTAL EXPENDITURES	<u>1,136,237</u>	<u>1,135,888</u>	<u>349</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,800)	1,795	5,595
FUND BALANCE, January 1	<u>105,593</u>	<u>102,138</u>	<u>(3,455)</u>
FUND BALANCE, December 31	<u>\$ 101,793</u>	<u>\$ 103,933</u>	<u>\$ 2,140</u>

ENTERPRISE FUND

PUEBLO COUNTY, COLORADO
DESERT HAWK GOLF COURSE AT PUEBLO WEST
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES			
Green Fees	\$ 550,000	\$ 547,800	\$ (2,200)
Cart Fees	207,000	218,437	11,437
Restaurant Rent	12,000	12,000	-
Improvement Fees	8,000	9,911	1,911
Driving Range and Other	40,000	35,693	(4,307)
Investment Earnings	3,000	12,490	9,490
Contributions	-	650	650
Transfers In	376,874	357,498	(19,376)
Advance from Other Government	307,863	303,978	(3,885)
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>1,504,737</u>	<u>1,498,457</u>	<u>(6,280)</u>
EXPENDITURES			
Personnel Services	33,300	33,834	(534)
Contract Fees	378,600	365,791	12,809
Supplies	168,287	161,194	7,093
Professional Services	16,100	20,821	(4,721)
Insurance	11,000	11,559	(559)
Repairs and Maintenance	38,500	37,397	1,103
Utilities and Communications	199,500	205,734	(6,234)
Equipment Rent	1,500	4,586	(3,086)
Capital Outlay	91,011	84,319	6,692
Sales Tax	-	55	(55)
Debt Service:			
Interest and Fiscal Charges	173,939	173,843	96
Principal	445,000	445,000	-
TOTAL EXPENDITURES	<u>1,556,737</u>	<u>1,544,133</u>	<u>12,604</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ (52,000)</u>	<u>\$ (45,676)</u>	<u>\$ 6,324</u>

AGENCY FUNDS

PUEBLO COUNTY, COLORADO
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2018

	Other Taxing Entities	Subdivision Improvements Escrow	District Attorney's Restitution Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 3,705,446	\$ 431,024	\$ 8,503	\$ 4,144,973
Other Receivables	1,437,236	-	-	1,437,236
TOTAL ASSETS	<u>\$ 5,142,682</u>	<u>\$ 431,024</u>	<u>\$ 8,503</u>	<u>\$ 5,582,209</u>
LIABILITIES				
Due to Other Governments	\$ 5,142,682	\$ -	\$ -	\$ 5,142,682
Due to Developers	-	431,024	-	431,024
Due to Victims and Insurance Companies	-	-	8,503	8,503
TOTAL LIABILITIES	<u>\$ 5,142,682</u>	<u>\$ 431,024</u>	<u>\$ 8,503</u>	<u>\$ 5,582,209</u>

PUEBLO COUNTY, COLORADO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<u>OTHER TAXING ENTITIES</u>				
ASSETS				
Cash and Cash Equivalents	\$ 4,482,221	\$197,815,355	\$(198,592,130)	\$ 3,705,446
Other Receivables	-	1,437,236	-	1,437,236
TOTAL ASSETS	<u>4,482,221</u>	<u>199,252,591</u>	<u>(198,592,130)</u>	<u>5,142,682</u>
LIABILITIES				
Due to Other Taxing Districts	<u>\$ 4,482,221</u>	<u>\$199,252,591</u>	<u>\$(198,592,130)</u>	<u>\$ 5,142,682</u>
<u>SUBDIVISION IMPROVEMENTS ESCROW</u>				
ASSETS				
Cash and Cash Equivalents	<u>\$ 467,805</u>	<u>\$ -</u>	<u>\$ (36,781)</u>	<u>\$ 431,024</u>
LIABILITIES				
Due to Developers	<u>\$ 467,805</u>	<u>\$ -</u>	<u>\$ (36,781)</u>	<u>\$ 431,024</u>
<u>DISTRICT ATTORNEY'S RESTITUTION</u>				
<u>FUND</u>				
ASSETS				
Cash and Cash Equivalents	<u>\$ 9,913</u>	<u>\$ 1,205</u>	<u>\$ (2,615)</u>	<u>\$ 8,503</u>
LIABILITIES				
Due to Victims and Insurance Companies	<u>\$ 9,913</u>	<u>\$ 1,205</u>	<u>\$ (2,615)</u>	<u>\$ 8,503</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 4,959,939	\$197,816,560	\$(198,631,526)	\$ 4,144,973
Due from Other Governments	-	1,437,236	-	1,437,236
TOTAL ASSETS	<u>\$ 4,959,939</u>	<u>\$199,253,796</u>	<u>\$(198,631,526)</u>	<u>\$ 5,582,209</u>
LIABILITIES				
Due to Other Taxing Entities	\$ 4,482,221	\$199,252,591	\$(198,592,130)	\$ 5,142,682
Due to Developers	467,805	-	(36,781)	431,024
Due to Victims and Insurance Companies	9,913	1,205	(2,615)	8,503
TOTAL LIABILITIES	<u>\$ 4,959,939</u>	<u>\$199,253,796</u>	<u>\$(198,631,526)</u>	<u>\$ 5,582,209</u>

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DISCRETELY PRESENTED COMPONENT UNITS

PUEBLO COUNTY, COLORADO
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc	Total
ASSETS			
Cash and Cash Equivalents	\$ 129,815	\$ 157,480	\$ 287,295
Investments	-	79,366	79,366
Other Receivables, Net	80,532	-	80,532
Notes Receivable	-	23,400	23,400
Machinery and Equipment	298,310	-	298,310
Less Accumulated Depreciation	(263,433)	-	(263,433)
Total Capital Assets, Net	<u>34,877</u>	<u>-</u>	<u>34,877</u>
TOTAL ASSETS	<u>245,224</u>	<u>260,246</u>	<u>505,470</u>
LIABILITIES			
Accounts Payable and Accrued Expenses	<u>184,831</u>	<u>3,810</u>	<u>188,641</u>
TOTAL LIABILITIES	<u>184,831</u>	<u>3,810</u>	<u>188,641</u>
NET POSITION			
Net Investment in Capital Assets	34,877	-	34,877
Unrestricted	<u>25,516</u>	<u>256,436</u>	<u>281,952</u>
TOTAL NET POSITION	<u>\$ 60,393</u>	<u>\$ 256,436</u>	<u>\$ 316,829</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 245,224</u>	<u>\$ 260,246</u>	<u>\$ 505,470</u>

PUEBLO COUNTY, COLORADO
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2018

	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc	Total
OPERATING REVENUES			
Charges for Services	\$ 628,412	\$ 672,215	\$ 1,300,627
TOTAL OPERATING REVENUES	<u>628,412</u>	<u>672,215</u>	<u>1,300,627</u>
OPERATING EXPENSES			
Public Safety:			
Administration	660,052	-	660,052
Depreciation	24,152	-	24,152
Culture and Recreation:			
Baseball park operations:			
Personnel Services	-	369,384	369,384
Team Expenses	-	141,948	141,948
Concession Stand	-	130,231	130,231
Field Supplies	-	83,098	83,098
Office Supplies	-	4,721	4,721
Professional Services	-	17,807	17,807
Insurance	-	24,123	24,123
Administrative Costs	-	26,536	26,536
Contributions to Pueblo County	-	61,596	61,596
TOTAL OPERATING EXPENSES	<u>684,204</u>	<u>859,444</u>	<u>1,543,648</u>
OPERATING INCOME (LOSS)	<u>(55,792)</u>	<u>(187,229)</u>	<u>(243,021)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	2,672	1,512	4,184
Operating Grants & Contributions	-	111,400	111,400
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>2,672</u>	<u>112,912</u>	<u>115,584</u>
CHANGE IN NET POSITION	<u>(53,120)</u>	<u>(74,317)</u>	<u>(127,437)</u>
NET POSITION, January 1, As Restated	113,513	330,753	444,266
NET POSITION, December 31	<u><u>\$ 60,393</u></u>	<u><u>\$ 256,436</u></u>	<u><u>\$ 316,829</u></u>

PUEBLO COUNTY, COLORADO
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018

	Pueblo County Emergency Phone Service Authority	Runyon Sports Complex	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 616,106	\$ 672,215	\$ 1,288,321
Payments to Suppliers for Goods and Services	(205,362)	(490,060)	(695,422)
Payments to Employees	(307,647)	(369,088)	(676,735)
Net Cash Provided (Used) by Operating Activities	<u>103,097</u>	<u>(186,933)</u>	<u>(83,836)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Grants & Contributions	-	111,400	111,400
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>111,400</u>	<u>111,400</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments	-	(17,917)	(17,917)
Sale of Investments	-	10,192	10,192
Interest Received	2,672	1,512	4,184
Advances on Notes Receivable	-	(23,400)	(23,400)
Net Cash Provided by Investing Activities	<u>2,672</u>	<u>(29,613)</u>	<u>(26,941)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	105,769	(105,146)	623
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (as restated)	24,046	262,626	286,672
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 129,815</u>	<u>\$ 157,480</u>	<u>\$ 287,295</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (55,792)	\$(187,229)	\$ (243,021)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	24,152	-	24,152
Change in Assets and Liabilities -			
Accounts Receivable	(12,306)	-	(12,306)
Accounts Payable and Accrued Expenses	147,043	296	147,339
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 103,097</u>	<u>\$(186,933)</u>	<u>\$ (83,836)</u>

OTHER SCHEDULES

LOCAL HIGHWAY FINANCE REPORT		City or County: County	
		YEAR ENDING : December 2018	
This Information From The Records Of (example - City of _ or County of _) County of Pueblo		Prepared By: Ashley Huggins	Phone: 7195834411

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,397,374
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	6,854,795
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	92,047
2. General fund appropriations		b. Snow and ice removal	151,627
3. Other local imposts (from page 2)	4,635,042	c. Other	4,066
4. Miscellaneous local receipts (from page 2)	612,375	d. Total (a. through c.)	247,740
5. Transfers from toll facilities		4. General administration & miscellaneous	1,047,067
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	290,570
a. Bonds - Original Issues		6. Total (1 through 5)	11,837,546
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	5,247,417	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	6,139,811	2. Notes:	
D. Receipts from Federal Government (from page 2)	383,511	a. Interest	
E. Total receipts (A.7 + B + C + D)	11,770,739	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)	11,837,546

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
	12,048,637	11,770,739	11,837,546	11,981,830	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2018	
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	1,621,125	a. Interest on investments	107,020
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	2,845,196	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens	2,788	e. Sale of Surplus Property	
4. Licenses	4,375	f. Charges for Services	
5. Specific Ownership &/or Other	161,558	g. Other Misc. Receipts	305,355
6. Total (1. through 5.)	3,013,917	h. Other	200,000
c. Total (a. + b.)	4,635,042	i. Total (a. through h.)	612,375
(Carry forward to page 1)		(Carry forward to page 1)	
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	5,861,412	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	10,941
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	278,399	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	372,570
f. Total (a. through e.)	278,399	g. Total (a. through f.)	383,511
4. Total (1. + 2. + 3.f)	6,139,811	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		6,888	6,888
b. Engineering Costs		908,238	908,238
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		2,371,105	2,371,105
(4). System Enhancement & Operation		111,143	111,143
(5). Total Construction (1) + (2) + (3) + (4)	0	2,482,248	2,482,248
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,397,374	3,397,374
		(Carry forward to page 1)	
Notes and Comments:			

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STATISTICAL SECTION

**STATISTICAL SECTION
DECEMBER 31, 2018**

COMMENT RELATIVE TO STATISTICAL SECTION

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

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

PUEBLO COUNTY, COLORADO
STATISTICAL SECTION
DECEMBER 31, 2018

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<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
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<i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	
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<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
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<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	
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<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	
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Full-Time Equivalent County Government Employees by Function/Program	163

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

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

	2009	2010	2011	2012
Governmental Activities				
Net Investment in Capital Assets	\$ 156,687,721	\$ 157,610,527	\$ 162,146,287	\$ 158,573,781
Restricted	3,384,675	3,086,170	6,152,043	46,463,097
Unrestricted	(10,308,282)	(3,630,998)	(18,219,489)	(61,203,203)
Total Governmental Activities Net Position	<u>149,764,114</u>	<u>157,065,699</u>	<u>150,078,841</u>	<u>143,833,675</u>
Business-Type Activities				
Net Investment in Capital Assets	(253,412)	(36,777)	155,022	358,781
Unrestricted	(5,347,425)	(6,141,148)	(6,853,166)	(3,646,238)
Total Business-Type Activities Net Position	<u>(5,600,837)</u>	<u>(6,177,925)</u>	<u>(6,698,144)</u>	<u>(3,287,457)</u>
Primary Government				
Net Investment in Capital Assets	156,434,309	157,573,750	162,301,309	158,932,562
Restricted	3,384,675	3,086,170	6,152,043	46,463,097
Unrestricted	(15,655,707)	(9,772,146)	(25,072,655)	(64,849,441)
Total Primary Government Net Position	<u>\$ 144,163,277</u>	<u>\$ 150,887,774</u>	<u>\$ 143,380,697</u>	<u>\$ 140,546,218</u>

2013	2014	2015	2016	2017	2018
\$ 168,371,127	\$ 170,479,412	\$ 164,623,352	\$ 161,420,436	\$ 162,279,319	\$ 160,349,713
4,355,457	5,044,256	6,208,963	15,376,985	8,847,326	28,714,387
(19,064,624)	(62,035,060)	(78,169,432)	(90,288,198)	(94,766,923)	(122,348,865)
<u>153,661,960</u>	<u>113,488,608</u>	<u>92,662,883</u>	<u>86,509,223</u>	<u>76,359,722</u>	<u>66,715,235</u>
543,135	730,337	941,485	1,256,212	1,506,918	1,870,213
(4,106,120)	(4,472,981)	(4,745,781)	(5,051,673)	(5,339,670)	(5,684,414)
<u>(3,562,985)</u>	<u>(3,742,644)</u>	<u>(3,804,296)</u>	<u>(3,795,461)</u>	<u>(3,832,752)</u>	<u>(3,814,201)</u>
168,914,262	171,209,749	165,564,837	162,676,648	163,786,237	162,219,926
4,355,457	5,044,256	6,208,963	15,376,985	8,847,326	28,714,387
(23,170,744)	(21,757,562)	(82,915,213)	(95,339,871)	(100,106,593)	(128,033,279)
<u>\$ 150,098,975</u>	<u>\$ 154,496,443</u>	<u>\$ 88,858,587</u>	<u>\$ 82,713,762</u>	<u>\$ 72,526,970</u>	<u>\$ 62,901,034</u>

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

Expenses	2009	2010	2011	2012
Governmental Activities:				
General Government	\$ 28,866,745	\$ 28,205,255	\$ 31,381,568	\$ 28,109,379
Public Safety	31,324,338	28,006,175	29,359,229	30,600,018
Road and Bridge	12,263,344	12,983,768	14,171,522	14,467,477
Health, Welfare and Sanitation	29,634,129	29,416,770	30,503,159	29,516,271
Culture and Recreation	2,072,045	1,687,257	1,747,827	1,548,146
Conservation	756,747	773,448	698,566	728,653
Urban Redevelopment and Housing	3,366,798	3,061,414	3,502,509	3,179,606
Economic Development and Assistance	377,695	1,228,123	1,480,530	2,625,429
Interest on Long-Term Debt	587,585	1,111,000	2,693,937	5,090,440
Total Governmental Activities Expenses	109,249,426	106,473,210	115,538,847	115,865,419
Business-Type Activities:				
Desert Hawk Golf Course	1,446,301	1,447,152	1,353,414	1,321,806
Total Primary Government Expenses	\$ 110,695,727	\$ 107,920,362	\$ 116,892,261	\$ 117,187,225
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 4,902,303	\$ 7,342,098	\$ 5,238,974	\$ 4,970,112
Public Safety	2,137,698	2,125,481	2,452,536	3,045,312
Road and Bridge	739,437	271,379	284,628	5,276,297
Health, Welfare and Sanitation	503,904	334,913	285,756	293,962
Culture and Recreation	82,094	82,711	86,389	93,051
Conservation	123,964	143,310	95,227	135,728
Economic Development and Assistance	-	-	-	-
Urban Redevelopment and Housing	392,479	493,497	188,575	129,641
Operating Grants and Contributions	36,253,779	34,721,737	35,567,903	32,679,217
Capital Grants and Contributions	7,938,900	2,749,486	2,207,862	3,253,938
Total Governmental Activities Program Revenues	53,074,558	48,264,612	46,407,850	49,877,258
Business-Type Activities:				
Charges for Services:				
Desert Hawk Golf Course	800,910	822,717	782,491	799,969
Operating Grants and Contributions	2,584	877	-	-
Capital Grants and Contributions	42,688	6,470	-	22,397
Total Business-Type Activities	846,182	830,064	782,491	822,366
Total Primary Government Program Revenues	\$ 53,920,740	\$ 49,094,676	\$ 47,190,341	\$ 50,699,624
Net (Expense)/Revenue				
Governmental Activities	\$ (56,174,868)	\$ (58,208,598)	\$ (69,130,997)	\$ (65,959,946)
Business-Type Activities	(600,119)	(617,088)	(570,923)	(499,440)
Total Primary Government Net Expense	\$ (56,774,987)	\$ (58,825,686)	\$ (69,701,920)	\$ (66,459,386)

2013	2014	2015	2016	2017	2018
\$ 28,324,590	\$ 28,304,667	\$ 34,792,349	\$ 34,994,055	\$ 36,302,907	\$ 40,550,529
29,433,895	31,400,549	38,548,293	37,167,291	38,528,835	42,618,614
15,804,649	14,554,339	14,857,669	14,236,375	14,579,150	14,819,483
30,489,071	32,148,244	37,266,477	36,869,176	36,771,889	36,547,205
1,226,721	1,460,406	1,866,629	2,100,385	2,611,759	1,659,817
639,794	761,856	908,255	840,745	1,011,769	1,046,080
2,466,132	1,919,984	2,614,315	2,085,928	1,684,841	1,793,611
3,121,755	4,213,913	5,299,572	5,908,510	6,370,812	8,162,258
5,043,974	4,941,935	4,808,570	4,689,590	4,585,609	4,515,020
116,550,581	119,705,893	140,962,129	138,892,055	142,447,571	151,712,617
1,312,106	1,241,419	1,183,711	1,153,385	1,171,618	1,175,926
<u>\$ 117,862,687</u>	<u>\$ 120,947,312</u>	<u>\$ 142,145,840</u>	<u>\$ 140,045,440</u>	<u>\$ 143,619,189</u>	<u>\$ 152,888,543</u>
\$ 5,040,323	\$ 5,971,175	\$ 6,055,272	\$ 6,806,618	\$ 7,056,863	\$ 6,709,839
2,853,812	2,457,780	2,663,837	8,322,770	2,723,408	2,750,846
5,307,291	5,296,600	278,797	298,744	344,310	282,774
292,567	293,282	266,708	223,563	170,092	5,101
83,152	89,595	331,538	126,484	93,484	81,475
101,389	114,069	131,051	121,577	118,560	116,164
-	-	-	-	23,536	876,800
24,289	65,630	102,813	56,345	87,907	20,431
34,124,260	35,464,251	36,878,931	39,655,895	41,125,404	42,736,263
13,869,248	6,768,158	2,624,848	2,641,810	1,818,832	4,625,496
61,696,331	56,520,540	49,333,795	58,253,806	53,562,396	58,205,189
714,904	752,297	798,663	804,882	777,842	823,841
-	-	-	-	-	-
12,087	-	13,420	1,220	-	650
<u>726,991</u>	<u>752,297</u>	<u>812,083</u>	<u>806,102</u>	<u>777,842</u>	<u>824,491</u>
<u>\$ 62,423,322</u>	<u>\$ 57,272,837</u>	<u>\$ 50,145,878</u>	<u>\$ 59,059,908</u>	<u>\$ 54,340,238</u>	<u>\$ 59,029,680</u>
\$ (54,854,250)	\$ (63,185,353)	\$ (80,857,348)	\$ (80,638,249)	\$ (88,885,175)	\$ (93,507,428)
<u>(585,115)</u>	<u>(489,122)</u>	<u>(371,628)</u>	<u>(347,283)</u>	<u>(393,776)</u>	<u>(351,435)</u>
<u>\$ (55,439,365)</u>	<u>\$ (63,674,475)</u>	<u>\$ (81,228,976)</u>	<u>\$ (80,985,532)</u>	<u>\$ (89,278,951)</u>	<u>\$ (93,858,863)</u>

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

	2009	2010	2011	2012
General Revenues				
Governmental Activities:				
Property Taxes	\$ 38,503,465	\$ 41,988,462	\$ 42,894,699	\$ 43,321,344
Sales and Miscellaneous Taxes	15,377,132	17,589,236	15,043,437	15,686,740
Excise Taxes	-	-	-	-
Specific Ownership Taxes	4,038,074	3,625,786	3,601,583	3,643,827
Investment Earnings	170,931	271,898	319,990	499,134
Miscellaneous	139,347	424,967	334,432	794,123
Transfers	(45,262)	(40,000)	(50,000)	(3,909,027)
Total Governmental Activities	<u>\$ 58,183,687</u>	<u>\$ 63,860,349</u>	<u>\$ 62,144,141</u>	<u>\$ 60,036,141</u>
Business-Type Activities:				
Investment Earnings	\$ -	\$ -	\$ 704	\$ 1,100
Transfers	45,262	40,000	50,000	3,909,027
Total Business-Type Activities	<u>45,262</u>	<u>40,000</u>	<u>50,704</u>	<u>3,910,127</u>
Total Primary Government	<u>\$ 58,228,949</u>	<u>\$ 63,900,349</u>	<u>\$ 62,194,845</u>	<u>\$ 63,946,268</u>
Change in Net Position				
Governmental Activities	\$ 2,008,819	\$ 5,651,751	\$ (6,986,856)	\$ (5,952,020)
Business-Type Activities	(554,857)	(577,088)	(520,219)	3,410,687
Total Primary Government	<u>\$ 1,453,962</u>	<u>\$ 5,074,663</u>	<u>\$ (7,507,075)</u>	<u>\$ (2,541,333)</u>

2013	2014	2015	2016	2017	2018
\$ 45,381,465	\$ 46,080,419	\$ 47,622,988	\$ 49,094,499	\$ 49,947,819	\$ 52,909,426
15,762,702	17,396,190	18,835,848	20,227,334	21,697,345	23,624,941
-	-	-	359,780	1,164,706	1,987,408
3,803,075	3,980,542	4,220,057	4,401,519	5,150,444	5,261,177
(18,717)	524,074	329,384	210,312	529,408	1,006,846
62,772	90,017	103,195	543,885	595,941	867,384
(308,762)	(308,762)	(308,863)	(352,740)	(349,989)	(357,498)
<u>\$ 64,682,535</u>	<u>\$ 67,762,480</u>	<u>\$ 70,802,609</u>	<u>\$ 74,484,589</u>	<u>\$ 78,735,674</u>	<u>\$ 85,299,684</u>
\$ 824	\$ 701	\$ 1,114	\$ 3,379	\$ 6,496	\$ 12,490
308,762	308,762	308,863	352,740	349,989	357,498
<u>309,586</u>	<u>309,463</u>	<u>309,977</u>	<u>356,119</u>	<u>356,485</u>	<u>369,988</u>
<u>\$ 64,992,121</u>	<u>\$ 68,071,943</u>	<u>\$ 71,112,586</u>	<u>\$ 74,840,708</u>	<u>\$ 79,092,159</u>	<u>\$ 85,669,672</u>
\$ 9,828,285	\$ 4,577,127	\$ (20,825,725)	\$ (6,153,660)	\$ (10,149,501)	\$ (8,207,744)
(275,529)	(179,659)	(61,652)	8,836	(37,291)	18,553
<u>\$ 9,552,756</u>	<u>\$ 4,397,468</u>	<u>\$ (20,887,377)</u>	<u>\$ (6,144,824)</u>	<u>\$ (10,186,792)</u>	<u>\$ (8,189,191)</u>

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

	Fiscal Year			
	2009	2010	2011	2012
General Fund				
Reserved	\$ 3,249,306	\$ 7,280,747		
Unreserved	25,334,134	26,852,607		
Total General Fund	<u>\$ 28,583,440</u>	<u>\$ 34,133,354</u>		
All Other Governmental Funds				
Reserved	\$ 7,218,252	\$ 6,950,464		
Unreserved, Reported in:				
Special Revenue Funds	5,067,321	7,222,212		
Capital Projects Funds	(744,953)	322		
Total All Other Governmental Funds	<u>\$ 11,540,620</u>	<u>\$ 14,172,998</u>		
General Fund				
Nonspendable			\$ 7,889,767	\$ 4,392,093
Restricted			3,092,999	2,400,000
Committed				
Assigned			5,179,986	2,326,045
Unassigned			11,959,308	15,250,351
Total General Fund			<u>\$ 28,122,060</u>	<u>\$ 24,368,489</u>
All Other Governmental Funds				
Nonspendable			\$ 2,461,740	\$ 2,456,710
Restricted			3,059,044	44,063,097
Committed			2,838,163	140,300
Assigned			3,796,967	9,959,982
Total All Other Governmental Funds			<u>\$ 12,155,914</u>	<u>\$ 56,620,089</u>

Notes:

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

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 4,203,645	\$ 3,241,874	\$ 2,882,942	\$ 2,226,614	\$ 2,114,967	\$ 1,161,450
2,400,000	2,653,785	2,651,936	2,816,741	2,942,048	3,247,949
5,143,371			2,392,843	-	-
4,475,932	4,445,390	3,739,648	4,868,549	3,506,339	3,718,602
	8,095,448	9,172,295	6,880,827	9,115,281	9,135,747
<u>\$ 16,222,948</u>	<u>\$ 18,436,497</u>	<u>\$ 18,446,821</u>	<u>\$ 19,185,574</u>	<u>\$ 17,678,635</u>	<u>\$ 17,263,748</u>
\$ 2,238,119	\$ 2,397,370	\$ 2,002,204	\$ 2,121,232	\$ 2,272,834	\$ -
12,863,677	3,950,781	3,557,027	12,560,243	5,905,278	25,466,438
8,804,672	12,617,331	11,311,931			-
6,873,561	8,103,044	9,774,094	10,135,343	13,327,765	2,482,062
<u>\$ 30,780,029</u>	<u>\$ 27,068,526</u>	<u>\$ 26,645,256</u>	<u>\$ 24,816,818</u>	<u>\$ 21,505,877</u>	<u>\$ 27,948,500</u>

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

	Fiscal Year			
	2009	2010	2011	2012
Revenues				
Taxes:				
Property Taxes, Net	\$ 38,503,465	\$ 41,988,462	\$ 42,894,699	\$ 43,321,346
Specific Ownership Taxes	4,038,074	3,625,786	3,601,583	3,643,827
Excise Taxes	-	-	-	-
Sales and Use Taxes	15,377,132	17,589,236	15,043,437	15,686,739
Fees and Fines	36,847	24,756	41,421	42,661
Licenses and Permits	182,545	170,765	174,488	249,950
Intergovernmental	39,343,083	31,903,068	31,899,234	30,307,089
State Highway Users Tax	4,258,482	4,504,950	4,540,767	4,554,965
Charges for Services	7,573,454	6,689,953	7,209,946	12,442,726
Investment Earnings	175,961	271,898	319,990	223,353
Contributions and Private Grants	587,586	663,503	751,753	388,519
Other Revenues	744,892	3,350,140	1,053,022	1,612,209
Total Revenues	<u>110,821,521</u>	<u>110,782,517</u>	<u>107,530,340</u>	<u>112,473,384</u>
Expenditures				
General Government	27,612,550	26,317,193	30,060,394	27,188,093
Public Safety	26,531,567	23,623,411	25,072,526	25,970,555
Highways and Streets	7,665,246	6,782,217	7,156,834	7,191,094
Health and Human Services	27,007,626	26,476,356	26,856,745	28,005,206
Culture and Recreation	725,993	689,501	1,213,862	787,893
Urban Development and Housing	3,004,412	3,996,932	4,748,937	2,928,674
Conservation	621,776	647,661	658,969	670,167
Economic Development Assistance	120,282	968,065	1,264,510	2,409,429
Intergovernmental	4,828,137	3,367,813	2,994,171	2,388,570
Debt Service:				
Principal	1,564,538	2,702,766	2,539,165	2,027,050
Interest and Other Charges	1,848,574	2,175,909	2,614,695	3,789,644
Debt Issuance and Insurance Costs	-	-	-	1,441,272
Capital Outlay	20,047,288	4,812,401	12,201,925	22,163,159
Total Expenditures	<u>121,577,989</u>	<u>102,560,225</u>	<u>117,382,733</u>	<u>126,960,806</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(10,756,468)</u>	<u>8,222,292</u>	<u>(9,852,393)</u>	<u>(14,487,422)</u>
Other Financing Sources (Uses)				
Issuance from Capital Lease	-	-	1,874,015	-
Proceeds from Certificates of Participation	26,600,000	-	-	55,000,000
Premium from COPs Issued	-	-	-	4,400,198
Discount from COPs Issued	(400,756)	-	-	-
Insurance Proceeds	-	-	-	-
Transfers In	6,420,417	2,571,222	12,335,090	3,283,508
Transfers Out	(6,465,678)	(2,611,222)	(12,385,090)	(7,176,797)
Total Other Financing Sources (Uses)	<u>26,153,983</u>	<u>(40,000)</u>	<u>1,824,015</u>	<u>55,491,172</u>
Net Changes in Fund Balances	<u>\$ 15,397,515</u>	<u>\$ 8,182,292</u>	<u>\$ (8,028,378)</u>	<u>\$ 41,032,661</u>
Debt Service as a Percentage of Noncapital Expenditures	3.36 %	4.99 %	4.90 %	5.55 %

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

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 45,381,465	\$ 46,080,419	\$ 47,622,988	\$ 49,094,499	\$ 49,947,819	\$ 52,909,426
3,803,075	3,980,542	4,220,057	4,401,519	5,150,444	5,261,177
-	-	-	359,780	1,164,706	1,987,408
15,762,702	17,396,190	18,835,848	20,227,334	21,697,345	23,624,941
32,075	41,016	140,838	47,752	64,604	65,883
502,006	1,101,703	1,170,996	1,696,121	2,415,882	1,595,155
38,444,504	40,243,767	36,506,385	42,708,094	38,031,156	39,460,068
4,604,132	4,708,327	4,916,568	4,962,444	5,094,793	5,861,412
11,793,977	12,267,130	7,183,453	7,730,730	7,546,564	9,182,392
(18,717)	524,074	329,384	210,312	529,958	1,006,846
268,023	784,640	578,187	474,662	624,800	411,157
727,004	636,949	708,951	1,011,093	1,153,582	807,298
<u>121,300,246</u>	<u>127,764,757</u>	<u>122,213,655</u>	<u>132,924,340</u>	<u>133,421,653</u>	<u>142,173,163</u>
27,239,875	27,788,339	29,706,981	30,746,579	32,227,883	35,955,856
26,128,149	26,180,149	27,725,104	29,964,927	31,583,395	34,752,821
7,425,035	7,377,167	6,275,175	7,315,322	6,933,019	6,706,662
28,047,137	29,650,774	31,710,570	34,090,326	34,014,613	33,764,487
716,716	950,674	760,594	606,903	918,086	1,358,200
2,260,312	1,828,874	2,224,129	1,805,701	1,490,998	1,711,352
582,128	780,302	806,176	869,951	923,814	979,976
2,915,755	4,015,513	5,085,119	5,806,682	6,652,953	8,119,442
2,285,330	2,452,650	2,824,128	4,570,517	2,952,167	2,109,064
2,663,316	2,768,172	2,893,670	3,009,839	3,259,440	2,967,620
5,077,399	4,975,400	4,846,666	4,729,394	4,605,359	4,670,914
-	-	-	-	-	-
49,635,933	20,185,936	7,459,426	10,768,958	12,623,874	8,950,727
<u>154,977,085</u>	<u>128,953,950</u>	<u>122,317,738</u>	<u>134,285,099</u>	<u>138,185,601</u>	<u>142,047,121</u>
<u>(33,676,839)</u>	<u>(1,189,193)</u>	<u>(104,083)</u>	<u>(1,360,759)</u>	<u>(4,763,948)</u>	<u>126,042</u>
-	-	-	623,814	-	-
-	-	-	-	-	6,199,107
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	296,057	60,085
10,005,614	2,387,210	1,622,538	4,645,384	4,684,782	1,611,328
<u>(10,314,376)</u>	<u>(2,695,972)</u>	<u>(1,931,401)</u>	<u>(4,998,124)</u>	<u>(5,034,771)</u>	<u>(1,968,826)</u>
<u>(308,762)</u>	<u>(308,762)</u>	<u>(308,863)</u>	<u>271,074</u>	<u>(53,932)</u>	<u>5,901,694</u>
<u>\$ (33,985,601)</u>	<u>\$ (1,497,955)</u>	<u>\$ (412,946)</u>	<u>\$ (1,089,685)</u>	<u>\$ (5,113,937)</u>	<u>\$ 6,027,736</u>
7.35 %	7.12 %	6.10 %	6.20 %	6.20 %	5.63 %

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

Fiscal Year	Taxes Levied	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
Ended December 31,	for the Fiscal Year	Amount	Percentage of Levy		Amount	Percentage of Levy
2009	38,935,035	38,375,174	98.56%	436,519	38,811,693	99.68%
2010	41,538,357	41,293,332	99.41%	86,738	41,380,070	99.62%
2011	42,858,211	42,737,389	99.72%	66,061	42,803,450	99.87%
2012	45,903,474	45,712,521	99.58%	29,162	45,741,683	99.65%
2013	49,795,510	49,663,296	99.73%	4,488	49,667,784	99.74%
2014	49,799,146	49,665,427	99.73%	(11,880)	49,653,547	99.71%
2015	50,223,442	50,119,332	99.79%	8,064	50,127,396	99.81%
2016	51,139,416	51,010,317	99.75%	(139,289)	50,871,028	99.48%
2017	51,630,212	51,323,734	99.41%	46,385	51,370,119	99.50%
2018	52,913,341	52,780,927	99.75%	-	52,780,927	99.75%

Source: Pueblo County Assessor and Office of Budget and Finance

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

	Year Taxes are Payable			
	2009	2010	2011	2012
County Direct Rates				
General	29.999	29.999	29.999	29.999
Library	0.927	0.867	0.840	0.767
Animal Shelter	0.269	0.252	(0.140)	-
Refunds/ Abatements-General Fund	-	-	0.978	0.106
Total Direct Rate	31.195	31.118	31.677	30.872
City and Towns Rates				
Boone	10.620	12.058	14.466	15.621
Pueblo	15.633	15.633	15.633	15.633
Rye	5.900	6.771	6.888	6.972
School Districts				
Edison 54J	38.801	37.525	36.207	36.104
Fowler R4J	38.018	37.511	37.389	32.263
Pueblo 60	37.966	36.629	38.811	34.324
Pueblo 70	40.804	40.804	39.297	39.297
Improvement & Service Districts				
Avondale Water & Sanitation	10.641	10.641	10.641	10.641
Bandera Blvd. Special Improvement	5.000	5.000	5.000	3.000
Beulah Fire & Ambulance District	7.000	7.000	7.000	7.000
Colorado City Cemetery	1.071	1.071	1.071	1.071
Colorado City Metro	17.967	17.967	17.967	17.967
Edison Fire Protection District	9.000	9.000	9.000	9.000
Fowler Rural Fire	4.462	4.109	4.057	3.900
Lower Arkansas Valley Water Conservancy	1.503	1.502	1.502	1.502
Midway Ranches Fire Protection District	-	-	1.650	18.760
Pine Drive Water	14.582	14.391	14.352	15.115
Pueblo Regional Library	5.261	5.302	5.413	5.268
Pueblo Rural Fire	24.268	24.268	24.268	24.268
Pueblo West Metro	20.193	20.193	20.193	20.193
Rye Fire	10.036	10.036	10.036	10.036
South Point Special Improvement	5.000	5.000	5.000	5.000
South Eastern Water Conservancy	0.943	0.940	0.947	0.947
St. Charles Mesa Sanitation	4.250	4.090	4.250	4.250
West Park Fire	5.433	5.433	5.433	5.433
Thunder Village Metropolitan Dist	-	-	5.000	5.000

Source: Pueblo County Abstract of Assessment

Year Taxes are Payable					
2013	2014	2015	2016	2017	2018
29.999	29.999	29.999	29.999	29.999	29.999
0.708	0.703	0.698	0.683	0.682	0.888
-	-	-	-	-	-
0.252	0.048	0.072	0.028	0.186	-
30.959	30.750	30.769	30.710	30.867	30.887
15.867	16.613	17.397	17.397	17.397	17.397
15.633	15.633	15.633	15.633	15.633	15.633
6.972	6.972	6.972	6.972	6.972	6.972
37.044	37.861	37.340	40.834	36.502	36.504
36.123	36.098	34.953	33.500	33.595	33.822
36.032	35.573	35.347	35.234	35.392	35.418
39.243	39.033	39.653	39.995	40.242	39.993
10.641	10.641	10.641	10.641	10.641	10.641
3.000	3.000	3.000	3.000	3.000	3.000
13.500	13.500	13.500	13.500	22.500	22.130
1.071	1.071	1.071	1.071	1.071	1.071
17.967	17.967	17.967	17.967	17.967	17.967
9.000	9.000	9.000	9.000	9.000	9.000
3.777	3.410	3.310	2.770	2.940	3.090
1.502	1.503	1.503	1.503	1.503	1.503
18.760	18.760	18.760	18.760	15.000	15.000
15.196	16.348	15.999	15.369	15.060	14.677
5.293	5.258	5.262	5.255	5.282	5.288
24.268	24.268	24.268	24.268	24.268	24.268
20.193	20.193	20.193	19.838	20.239	20.216
10.036	10.036	10.036	10.036	15.536	15.536
5.000	5.000	5.000	5.000	5.000	5.000
0.944	0.940	0.940	0.941	0.940	0.939
4.190	4.250	4.250	4.019	4.250	3.930
5.433	5.433	5.433	5.433	5.433	5.433
5.000	5.000	5.000	5.000	5.000	5.000

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

Fiscal Year Ended December 31,	Vacant Unimproved Land	Residential Property	Natural Resources	Commercial Property	Industrial Property	Agricultural Property	Public Utilities
2009	77,017	626,504	2,800	284,856	128,941	10,563	129,353
2010	75,588	626,002	2,959	298,026	185,283	10,332	152,191
2011	75,008	631,212	3,051	300,396	218,743	10,316	160,096
2012	63,728	592,631	2,690	301,583	242,564	11,635	343,291
2013	62,804	596,087	2,685	300,801	226,488	11,222	469,730
2014	53,676	564,333	2,986	303,331	217,626	12,901	397,347
2015	52,973	569,105	2,948	303,058	221,464	13,056	399,304
2016	50,633	593,218	2,878	303,355	240,991	15,788	385,723
2017	50,591	600,069	3,002	307,413	225,716	18,565	378,079
2018	49,556	618,206	2,906	309,697	212,005	23,679	405,391

Sources: Pueblo Abstract of Assessment.

Notes: Property in Pueblo County is reassessed once every two years. The County assessed residential property at a constant rate from 2009 to 2016 at 7.96%. The County assessed residential property for 2017 and 2018 at 7.2% of actual value. All other property was assessed at 29% of actual value. Actual taxable value is obtained from the prior year Abstract of Assessment for the fiscal year for which levied. Tax rates are per \$1,000 of assessed value.

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Exempt Property Assessed Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
1,260,034	31.20	10,054,376	124,404	12.532%
1,350,381	31.12	10,376,477	129,829	13.014%
1,398,822	31.68	10,592,404	147,445	13.206%
1,559,121	30.87	10,777,971	152,654	14.466%
1,669,818	30.96	11,191,118	155,686	14.921%
1,552,200	30.75	10,895,124	163,999	14.247%
1,561,908	30.77	10,573,120	163,795	14.772%
1,592,591	30.71	10,899,446	168,456	14.612%
1,583,435	30.87	10,929,571	167,045	14.488%
1,621,440	30.89	12,045,517	166,539	13.461%

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

Taxpayer	<u>2018</u>		Percentage of Total County Taxable Assessed Value	<u>2009</u>		Percentage of Total County Taxable Assessed Value
	Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
Public Service Company of Colorado	240,893,698	1	14.86%	63,186,200	1	4.68%
Black Hills Colorado Electric	83,640,330	2	5.16%			
GCC Rio Grande Inc	60,632,511	3	3.74%	62,623,820	2	4.64%
Intermountain Rural Electric	48,561,900	4	2.99%			
Black Hills Colorado IPP LLC	40,415,500	5	2.49%			
EVRAZ (Rocky Mountain Steel Mills)	24,829,310	6	1.53%	26,508,060	3	1.96%
Union Pacific Railroad Co	20,350,473	7	1.26%	10,197,100	7	0.76%
BNSF Railway Company	19,647,200	8	1.21%	10,891,600	6	0.81%
Vestas Towers of America	16,555,602	9	1.02%		3	-%
Holy Cross Electric Association	15,510,600	10	0.96%			
Qwest Corporation/ U S West Communications				19,448,900	4	1.44%
Aquila/ Westplains Energy/ Blackhills Corp				16,607,520	5	1.23%
Trane Company				10,607,000	8	0.79%
Pedco Foundation				7,827,150	9	0.58%
Parkview Medical Center				7,046,180	10	0.52%
Total	<u>571,037,124</u>		<u>35.22%</u>	<u>234,943,530</u>		<u>17.41%</u>

Source: County Assessor's Office

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

General Bonded Debt Outstanding						Percentag e of Actual Taxable Value of Property (a)	Per Capita (b)
Fiscal Year Ended December 31,	General Obligation Library Bonds	Limited Tax General Obligation Bonds	Total	Less Debt Service Fund	Net		
2009	9,912,837	1,232,373	11,145,210	1,184,675	9,960,535	0.09 %	58
2010	8,339,859	369,607	8,709,466	666,170	8,043,296	0.08 %	51
2011	7,230,040	-	7,230,040	105,402	7,124,638	0.07 %	47
2012	6,903,339	-	6,903,339	103,376	6,799,963	0.06 %	41
2013	6,032,487	-	6,032,487	105,457	5,927,030	0.05 %	37
2014	5,126,635	-	5,126,635	106,062	5,020,573	0.05 %	31
2015	4,175,783	-	4,175,783	107,076	4,068,707	0.04 %	25
2016	3,189,931	-	3,189,931	108,406	3,081,525	0.03 %	19
2017	2,164,079	-	2,164,079	102,138	2,061,941	0.02 %	12
2018	1,103,227	-	1,103,227	103,933	999,294	0.01 %	6

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

(a) See page 147 for property value data.

(b) Population data can be found on page 156.

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

Fiscal Year Ended December 31,	Governmental Activities			Business-Type Activities	
	General Obligation Bonds	Certificates of Participation	Capital Leases	Certificates of Participation (a)	Capital Leases
2009	9,912,837	37,544,587	598,655	5,748,474	113,689
2010	8,339,859	36,486,559	311,606	5,510,923	173,281
2011	7,230,040	35,393,531	1,921,064	5,259,963	118,503
2012	6,903,339	93,552,476	1,874,015	5,483,408	58,887
2013	6,032,487	91,965,148	1,528,390	5,125,569	29,950
2014	5,126,635	90,322,820	1,170,218	4,752,316	-
2015	4,175,783	88,615,492	796,548	4,363,632	-
2016	3,189,931	86,843,164	976,345	3,959,466	173,872
2017	2,164,079	84,995,836	451,905	3,539,789	132,337
2018	1,103,227	89,265,238	329,285	3,099,569	147,961

Other Government Land Purchase Option	Other Government Advance on Water Payments	Other Government Non- Interest Loan	Total Primary Government	Percentage of Personal Income (g)	Debt per Capita (g)
457,000	1,109,381	2,054,111	57,538,734	1.70 %	362
457,000	1,279,813	2,314,661	54,873,702	1.64 %	345
457,000	1,279,813	2,632,273	54,292,187	1.72 %	338
457,000	1,279,813	2,950,055	112,558,993	3.25 %	697
457,000	1,279,813	3,268,533	109,686,890	3.04 %	685
457,000	1,279,813	3,577,295	106,686,097	3.00 %	667
457,000	1,279,813	3,886,158	103,574,426	2.84 %	645
457,000	1,279,813	4,192,887	101,072,478	2.66 %	624
457,000	1,279,813	4,496,865	97,517,624	2.38 %	588
457,000	1,279,813	4,803,653	100,485,746	2.59 %	604

PUEBLO COUNTY, COLORADO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Overlapping Debt			
City of Pueblo	\$ 19,680,834	100.000 %	\$ 19,680,834
School District # 60	53,938,303	100.000 %	53,938,303
School District # 70	70,250,000	100.000 %	70,250,000
Edison School District 54JT	776,030	6.500 %	50,442
Fowler R4J	415,000	30.750 %	127,613
Pueblo City-County Library District	8,710,000	100.000 %	8,710,000
Pueblo West Metro District	680,736	100.000 %	680,736
Thunder Village Special District	<u>6,500,000</u>	100.000 %	<u>6,500,000</u>
Subtotal, Overlapping Debt	160,950,903	99.371 %	<u>\$ 159,937,928</u>
County Direct Debt	<u>87,374,285</u>	100.000 %	<u>87,374,285</u>
Total Direct and Overlapping Debt	<u>\$ 248,325,188</u>		

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

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

	Fiscal Year				
	2009	2010	2011	2012	2013
Debt limit	\$ 311,294	\$ 317,772	\$ 323,339	\$ 335,734	\$ 320,455
Total Debt Applicable to Limit	<u>1,232</u>	<u>370</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 310,062</u>	<u>\$ 317,402</u>	<u>\$ 323,339</u>	<u>\$ 335,734</u>	<u>\$ 320,455</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.40 %	0.12 %	0.00 %	0.00 %	0.00 %

**Legal Debt Margin Calculation
for Fiscal Year 2018:**

Actual Value (a)	13,429,458
Debt Limit (3% of Actual Value)	402,884
Debt Applicable to Limit - General Obligation Bonds	<u>-</u>
Legal Debt Margin	<u>402,884</u>

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

(a) Source: 2018 County Abstract of Assessment

Note: From 2003 through 2018, the margin was 3% of actual value. General Obligation Library Bonds are excluded by state statute from legal debt margin requirements.

Fiscal Year				
2014	2015	2016	2017	2018
\$ 329,538	\$ 359,286	\$ 359,321	\$ 392,266	\$ 402,884
-	-	-	-	-
<u>\$ 329,538</u>	<u>\$ 359,286</u>	<u>\$ 359,321</u>	<u>\$ 392,266</u>	<u>\$ 402,884</u>
0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

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

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Education Level Percent of High School Graduates	School Enrollment
2009	158,804	3,393,959	21,372	37.8	87.8%	27,659
2010	159,106	3,348,227	21,044	38.0	77.7%	27,256
2011	160,630	3,163,608	19,695	39.0	72.4%	26,848
2012	161,422	3,467,667	21,482	38.6	70.5%	26,865
2013	160,172	3,605,312	22,509	39.3	74.8%	27,247
2014	160,022	3,557,449	22,231	39.0	80.8%	26,279
2015	160,685	3,647,550	22,700	39.2	75.1%	27,270
2016	162,038	3,806,272	23,490	39.3	79.7%	26,320
2017	165,715	4,093,658	24,703	39.4	80.9%	26,761
2018	166,447	3,885,539	23,344	39.5	88.8%	26,266

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

Commercial Construction Residential Construction

Unemployment Rate	No. Of Units	Estimated Costs (thousands of dollars)	No. Of Units	Estimated Costs (thousands of dollars)
8.4%	45	33,041	208	41,949
8.9%	82	38,058	216	39,615
10.2%	43	14,384	117	20,893
10.6%	56	70,137	180	34,808
9.6%	42	17,588	159	28,935
7.3%	70	32,949	386	44,084
6.4%	78	39,377	223	37,938
4.5%	83	19,192	211	35,052
4.7%	114	25,435	268	47,081
5.9%	96	16,378	381	59,332

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

Employer	Employees	2018 Rank	Percentage of Total County Employment	Employees	2009 Rank	Percentage of Total County Employment
Parkview Medical Center	3,100	1	4.06 %	2,158	1	3.21 %
Pueblo City Schools (District 60)	1,766	2	2.31 %	2,100	2	3.12 %
Pueblo County	1,262	3	1.65 %	1,050	3	1.56 %
Walmart	1,040	4	1.36 %			
School District 70	1,026	5	1.34 %	1,009	4	1.50 %
Evraz, Inc. - Rocky Mountain Steel Mills	979	6	1.28 %	978	7	1.45 %
Vestas Towers America, Inc.	863	7	1.13 %			
City of Pueblo	767	8	1.00 %	642	9	0.95
Convergys Corp	700	9	0.92 %	685	8	1.02 %
Target Corp	700	9	0.92	-		-
Pueblo Community College	617	11	0.81 %			
St Mary Corwin Medical Center	600	12	0.79 %	979	6	1.46 %
Colorado State University-Pueblo	580	13	0.76 %	580	10	0.86 %
Trane Commercial Systems	425	14	0.56 %			
Colorado State Government (CDOT)	402	15	0.53 %			
Interim Health Care	396	16	0.52 %			
McDonalds	388	17	0.51 %			
Radial	350	18	0.46 %			
Kings Soopers	325	19	0.43 %			
Safeway/Albertsons	320	20	0.42 %			
Loaf 'N Jug	300	21	0.39 %			
Lowes	290	22	0.38 %			
KR Swerdfeger Construction Inc	263	23	0.34 %			
TTCI	260	24	0.34 %			
Haven Behavioral Healthcare	255	25	0.33 %			
Chieftain & Star Journal	250	26	0.33 %			
Mission Foods	248	27	0.32 %			
UTC Aerospace Systems	231	28	0.30 %			
Pueblo Community Health Center	231	28	0.30 %			
Taco Bell	231	28	0.30 %			
University Park Care Center	212	31	0.28 %			
Southern Colorado Gaming & Event Center	201	32	0.26 %			
Crossroads Turning Points	200	33	0.26 %			
Sangre de Cristo Hospice	200	33	0.26 %			
Vision Mechanical	200	33	0.26 %			
Colorado Mental Health Institute				1,000	5	1.49 %
Total	20,178		26.41 %	11,181		16.62 %
Total County	76,331		100.00 %	67,227		100.00 %

NOTE: Includes those with 200 or more employees.

Source: Pueblo County Economic Development Department

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

Function/Program	Fiscal Year				
	2009	2010	2011	2012	2013
Sheriff's Office					
Calls for Service:					
Law Enforcement	22,349	26,285	27,656	27,834	28,576
Fire	1,279	1,242	1,356	1,598	1,551
Medical Emergency	2,891	3,113	3,388	3,502	3,585
Physical Arrests	3,023	2,829	2,804	2,840	3,450
Traffic Violations	3,047	2,413	2,712	2,412	2,289
Detention					
Jail Population, Daily-Average	546	558	601	613	615
Public Works					
Customer Service Requests	207	238	194	215	296
Crushed Gravel (Tons)	110,000	67,000	95,134	76,094	77,996
Roads Chip Sealed (Miles)	35	15	16	14	14
Roads Dust Treated (Miles)	106	178	106	108	109
Roads Striped (Miles)	113	113	105	105	105
Recreation					
Golf Course Rounds	23,663	22,986	22,732	24,387	24,260
Golf Annual-Pass Holders	164	182	189	192	182

Source: County departments

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

Fiscal Year				
2014	2015	2016	2017	2018
28,890	31,207	24,085	24,891	28,760
1,439	1,373	1,682	1,816	1,907
3,698	4,211	4,462	4,627	4,397
3,457	4,172	4,186	4,588	4,196
2,786	3,061	2,025	2,631	2,254
672	837	887	958	721
267	394	392	324	250
80,000	-	61,384	60,000	135,000
31	15	27	23	17
104	104	101	105	105
105	105	105	95	93
26,306	26,633	28,048	26,563	27,320
162	179	170	167	153

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

Function/Program	Fiscal Year				
	2009	2010	2011	2012	2013
Law Enforcement					
Stations	2	2	2	2	2
Zone Offices	3	3	3	3	3
Patrol Units	50	66	68	67	68
Public Works					
Paved Roads Maintained (Miles)	571	571	571	571	571
Gravel Roads Maintained (Miles)	640	640	640	640	640
Parks and Recreation					
Acreage	151	151	151	151	151
Baseball Fields	7	7	7	7	8
Playgrounds	5	5	5	5	5
Community Centers	2	2	2	2	2
Art Center	1	1	1	1	1
Children's Museum	1	1	1	1	1

Fiscal Year				
2014	2015	2016	2017	2018
2	2	2	2	2
3	3	3	3	3
68	68	68	68	68
494	494	493	493	228
713	713	712	712	640
151	151	151	151	151
8	8	8	8	8
5	5	5	5	5
2	2	2	2	2
1	1	1	1	1
1	1	1	1	1

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

	Full-time Equivalent Employees as of December 31				
	2009	2010	2011	2012	2013
General Government					
County Commissioners	8	8	8	8	8
County Attorney	9	9	9	9	9
County Surveyor	1	1	1	1	1
County Clerk/Recorder	35	33	33	35	35
Election	7	7	8	7	8
Treasurer	15	15	15	12	16
Assessor	29	29	29	28	27
District Attorney	63	61	61	62	57
Office of Budget	9	8	7	7	6
Purchasing	3	3	3	3	3
Human Resources	6	6	6	6	6
Planning and Development	10	9	10	9	10
Information and Computer Services	29	29	28	28	28
Fleet & Equipment Management	4	4	4	4	4
Facilities	58	56	51	58	62
GIS	5	5	4	5	5
Retirement	1	1	1	1	1
Total General Government	292	284	278	283	286
Public Safety					
Law Enforcement	103	103	113	113	110
Detention	181	181	176	180	181
Dispatch	17	18	18	19	19
Emergency Management	11	11	12	12	15
Coroner	4	4	4	4	1
Community Corrections Administration	-	-	-	2	2
Total Public Safety	316	317	323	330	328
Highways and Streets					
Road and Bridge	81	78	74	80	77
Health and Welfare					
Housing & Human Services	33	45	40	28	21
Social Services	302	302	319	320	308
Aging Services	3	3	3	3	3
Veterans Services	3	3	3	3	3
Total Health and Welfare	341	353	365	354	335
Culture and Recreation					
Parks	4	4	4	4	-
Conservation					
CSU Extension	5	5	5	5	5
Economic Development Administration	1	1	-	-	-
Total	1,040	1,042	1,049	1,056	1,031

Source: County Payroll Department

Full-time Equivalent Employees as of December 31

2014	2015	2016	2017	2018
7	8	8	8	7
10	9	10	9	10
1	1	1	1	1
31	31	27	35	34
8	9	9	8	7
15	16	15	13	15
25	26	29	29	25
61	61	62	61	63
7	6	7	7	7
3	3	2	3	3
6	6	7	7	6
10	10	10	10	10
29	27	29	29	27
4	4	4	4	4
60	59	59	59	61
6	6	6	6	6
1	1	1	1	1
284	283	286	290	287

111	110	114	112	119
198	195	211	212	204
15	18	17	19	18
16	15	16	15	18
1	1	1	1	2
2	2	2	3	4
343	341	361	362	365

73	73	73	73	70
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22	23	19	17	17
331	350	361	361	359
3	3	3	3	2
3	3	3	3	2
359	379	386	384	380

-	3	3	4	5
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5	5	5	5	4
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-	-	-	-	-
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1,064	1,084	1,114	1,118	1,111
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SINGLE AUDIT SECTION

**PUEBLO COUNTY, COLORADO
SINGLE AUDIT SECTION
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PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

SECTION I - SUMMARY OF INDEPENDENT AUDITORS' RESULTS

FINANCIAL STATEMENTS

An unmodified opinion was rendered on the basic financial statements of Pueblo County as of and for the year ended December 31, 2018 that were prepared in accordance with generally accepted accounting principles.

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No
- Significant deficiency(ies) identified? X Yes None Reported
- Noncompliance material to financial statements noted? Yes X No

FEDERAL AWARDS

Internal control over major programs:

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

An unmodified opinion was issued on compliance for major programs.

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.551, 10.561	SNAP Cluster
10.565, 10.568, 10.569	Food Distribution Cluster
81.042	Weatherization Assistance for Low-Income Persons
93.044, 93.045, 93.053	Aging Cluster
93.558	TANF Cluster
93.563	Child Support Enforcement

Dollar threshold used to distinguish between type A and type B programs: \$1,139,516

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

PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 2018-001: Excise Tax Fund

Criteria or specific requirement: The excise tax special revenue fund was established to account for revenue received from an excise tax on marijuana grown in Pueblo County. The voters passed a ballot initiative approving the tax and restricting this tax revenue to a list of specific community projects that were listed in the ballot language and further established in Pueblo County resolution 15-203.

Condition/Context/Effect: A total of \$339,939 in expenditures were recorded in the excise tax fund that did not meet the criteria established as noted above. These specific expenditures are related to 1A projects that are to be funded by future excess property tax revenues, approved by a different voter ballot initiative. An audit entry was proposed and accepted to properly record these expenditures in the general fund. This entry resulted in an increase in expenditures in the general fund as well as a balance due from the general fund to the excise tax fund. This balance was paid subsequent to year end.

Cause: There were insufficient internal controls in place to assure that only expenditures meeting the criteria as established above would be approved to use excise tax funds. The controls that were in place did identify that these expenditures did not meet the criteria, however, these controls were overridden by management with the thought that future 1A excess tax collections would be used to reimburse the excise tax fund. There were no provisions in the ballot initiative or in the related County resolution to provide for such use of excise tax funds.

Recommendation: We recommend the County establish procedures at the finance department level to verify that underlying expenditures meet the specific criteria established.

Views of responsible officials and planned corrective actions: We agree with the above finding and have implemented an appropriate corrective action plan.

Finding 2018-002: Procurement and Related Parties

Criteria or specific requirement: The County's contract policy requires "*all contracts which propose to commit Pueblo County to an annual expenditure of more than \$5,000 but less than or equal to \$25,000 must have the prior approval of the County Attorney's office and the Office of Budget pursuant to the procedures contained in the specific requirements.*" And further states "*All contracts which propose to commit Pueblo County to an annual expenditure greater than \$25,000 must receive approval of the Board of County Commissioners in a public meeting by Resolution and must be signed by the Board's Chair pursuant to the procedures contained in the specific requirements.*"

Also, excerpts from within the County's Procurement Policy include—

- *1.107 CODE OF ETHICS – A procurement professional identifies and eliminates participation of any individual in operational situations where conflict of interest may be involved.*
- *2.107 CONFLICT OF INTEREST (EMPLOYEE-OWNED BUSINESS) Furthermore, contracting for goods or services with an employee's immediate family member or a company in which an employee's immediate family member has a financial interest..., is permitted providing strict adherence to the following: The board of County Commissioners shall be notified by the employee immediately in writing of such an interest.*

PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

- *3.103 EMERGENCY PURCHASES ...Proper purchase requisition procedures and approval limits remain the same for the authorization of expenditures; however, formal IFB/RFP procedures may not apply.*

Condition/Context/Effect: A director-level manager at Pueblo County approved payments to a related party also considered an immediate family member without following County purchasing policies totaling \$28,583. A purchase order was not issued and we were not able to obtain an approved contract for these services. These specific expenditures were recorded in the excise tax fund incorrectly, see finding 2018-001. These transactions were not contemporaneously identified as being with a related party.

Audit procedures included a review of a sample of additional transactions approved by this director. Four separate transactions were identified totaling \$52,936 that did not appear to follow County purchasing policies and procedures. These transactions included three payments to a vendor for emergency repairs totaling \$32,936 without a contract or purchase order in place. The fourth transaction of \$20,000 was paid to a local school district for partial payment of facility improvements. There was also no purchase order or contract in place. There was no indication that these four transactions were with related parties.

The County may have paid a premium for services or potentially not received commensurate services for amounts paid. There may be additional transactions that did not adhere to policies that were not identified based on these limited procedures.

Cause: The County does not have sufficient internal controls in place to properly identify related party transactions or to ensure adherence to contract and purchasing policies.

Recommendation: The County should develop and put in place procedures that will identify related party transactions prior to contracting or payment for goods or services. Emergency procurements should be limited and the County should develop and put in place procedures to ensure that procurement and contract policies are followed and that all contracts over \$5,000 are reviewed by the County Attorney.

Views of responsible officials and planned corrective actions: We agree with the above finding and have implemented an appropriate corrective action plan.

Finding 2018-003: Capitalization of Software Development Costs

Criteria or specific requirement: The County's capitalization policy reads as follows: "*Capital assets, which include land, construction in progress, buildings and improvements, machinery and equipment, intangibles, and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of \$5,000 (\$50,000 for buildings and infrastructure) for governmental funds, \$500 for component units and the proprietary fund and a useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. ... The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend asset lives is not capitalized.*"

Condition/Context/Effect: Software development costs of \$761,517, with a value based on payroll expenses incurred by the information technology staff working on the internally developed software, was capitalized during the year. This work did not substantially improve or extend the life of the software however and did not meet the County's capitalization policy. During 2019, a portion of the internal software will be discontinued relating to the Treasurer and the Assessor. The County has planned to eventually phase out the internally

PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

developed software and move to other external products. For this reason, further development activities will be limited and most, if not all information technology work will be help desk or software maintenance related work. Overall governmental activities expenses and assets were overstated by \$609,214. This amount was reduced by the current year amortization related to this capitalized amount.

Cause: Procedures for capturing software development costs were not altered based on changes occurring with moves to external software and the IT departments move to reduce or eliminate software development activities.

Recommendation: Remove these capitalized costs for current year. Assess whether 2019 amortization should be adjusted regarding the implementation of new software by the Treasurer and the Assessor. Develop procedures to review ongoing accounting year-end adjustments and estimates for reasonableness and ensure that current operational changes are analyzed for potential effects on accounting adjustments and estimates.

Views of responsible officials and planned corrective actions: We agree with the above finding and have implemented an appropriate corrective action plan.

Finding 2018-004: Runyon Field Component Unit

Criteria or specific requirement: Runyon Field Sports Complex Commission, Inc. (Runyon) is a non-profit organization that is considered and reported as a discretely presented component unit of Pueblo County. Generally accepted accounting principles requires the reporting of all revenues, expenses, assets and liabilities related to an entity's activity.

Condition/Context/Effect: Audit procedures identified two bank accounts that contained transactions that represented Runyon activity that had not been recorded in the books and records. The balance in these two accounts as of January 1, 2018 was \$33,359. Total deposits to these accounts during 2018 were \$78,060 which appeared to represent primarily player fees collected related to several teams sponsored by Runyon. Withdrawals for 2018 totaled \$77,737, of which \$54,337 appeared to be team related expenses. The remaining \$23,400 in transactions were either personal expenses of the general manager or not supported by underlying documentation. Subsequently, the general manager agreed to and has reimbursed \$22,550 to Runyon for the personal expenses and all unsupported transactions. An additional \$850 was reimbursed by another party. The Board of Directors of Runyon did not appear to be aware of the existence of these two accounts and did not approve any of the transactions running through these accounts.

These accounts appeared to be in existence and used for this purpose for some time. However, no information prior to January 1, 2018 concerning these accounts was obtained and therefore it is unclear as to what prior activity existed. Because the activity was interconnected with the operations of Runyon it did not appear proper to exclude this activity from the overall activity of Runyon. An audit entry was proposed and accepted by management to record the January 1, 2018 cash balance of \$33,359 and was considered net income from prior periods and added to net position at the beginning of the year. Additional audit entries were proposed and accepted to record the activity and the note receivable that was subsequently collected.

It was also noted that certain credit cards used by Runyon are in the name of the general manager rather than in the name of Runyon. Credit card transactions were not being recorded contemporaneously. Therefore, expenses were recorded only as payments against the credit cards were made rather than on the date of the underlying transaction. Credit cards appeared to be paid in full monthly, but not necessarily by month-end.

PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

Cause: The general manager viewed these other bank accounts as “team” accounts and did not understand that the activity within these accounts should be considered Runyon activity. He also indicated that he had deposited personal funds into these accounts prior to January 1, 2018. There was no documentation provided to support this however. The system of internal controls over financial reporting in general at Runyon is quite limited and does not contain sufficient segregation of duties. The outside bookkeeper appears to have only limited accounting knowledge and is not active in the day to day operations.

Pueblo County did not have sufficient oversight controls in place to ensure that financial reporting supplied to the County and included in the County’s financial report was materially correct. The agreement between Pueblo County and Runyon Field has not been updated for many years and does not appear to clearly outline each party’s responsibilities in regards to procurement and financial reporting, accountability and oversight.

Recommendation: We recommend the County review and revise internal controls related to its oversight responsibilities with Runyon Field to ensure proper financial reporting and accountability. We also recommend that Pueblo County and Runyon review and update the mutual written agreement to clearly identify the roles and responsibilities of each party. All accounts and credit cards should be in the name of Runyon and have appropriate oversight and be strictly limited to only approved transactions and activity of Runyon.

Views of responsible officials and planned corrective actions: We agree with the above finding and have implemented an appropriate corrective action plan.

Finding 2018-005: Housing and Human Services Fund

Criteria or specific requirement: As stated in Pueblo County’s significant accounting policies “*Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except the availability period is considered 120 days for the County's government-mandated non-exchange transactions that are generally classified as expenditure-driven grants.*”

Condition/Context/Effect: A total of \$324,120 in expenditure-driven grants were recorded as 2019 revenues that had met the criteria of measurable and available revenue that should have been recorded in 2018. The accounting staff within the Housing and Human Services Fund did not identify this revenue and related receivable until the finance department, after audit inquiry, obtained the information and subsequently made the adjusting entries to record the revenue. The Housing and Human Services Fund has had significant staff turnover and beginning in 2019 is now under and included in the newly named Department of Human Services that also includes the social services activity.

Cause: Significant turnover of personnel as well as transition of internal control structure appears to have resulted in the above misstatements. There was a lack of compensating controls within the finance department to achieve entity-wide proper cutoff of revenue.

Recommendation: We recommend the County establish procedures at the fund level to develop primary controls and at the finance department level to develop additional controls to verify that underlying revenue is reported in the proper period.

PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

Views of responsible officials and planned corrective actions: We agree with the above finding and have implemented an appropriate corrective action plan.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2018-006

Prior Year Finding Number: N/A
Type of Finding: Internal Control over Compliance
Severity of Deficiency: Material Weakness
Federal Agency: U.S. Department of Energy
CFDA#: 81.042 – Weatherization Assistance for Low-Income Persons
Pass-through Entity: Colorado Office of Energy Conservation

Type of Compliance Requirement - Criteria: Reporting – 2CFR §200.502, §200.510

Criteria or specific requirement: Internal control over the general reporting compliance related to the reporting of federal expenditures on the schedule of expenditures of federal awards as indicated within the Uniform Guidance as indicated from the following excerpts:

§200.502 Basis for determining Federal awards expended.

(a) Determining Federal awards expended. The determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs. Generally, the activity pertains to events that require the non-Federal entity to comply with Federal statutes, regulations, and the terms and conditions of Federal awards, such as: expenditure/expense transactions associated with awards including grants, cost-reimbursement contracts under the FAR...

§200.510 Financial statements.

(b) Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended. ... At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. ...

Condition: As noted above in finding 2018-005, the adjusting entries were partially related to the Weatherization program. The total adjustment to the Weatherization revenue account was \$255,584.

Cause: Significant turnover of personnel as well as transition of internal control structure appears to have resulted in the above misstatements. There was a lack of compensating controls within the finance department to achieve entity-wide proper cutoff of revenue. The schedule of expenditures of federal awards (SEFA) is populated using information accumulated in certain general ledger program accounts. Because these accounts were not properly adjusted, the SEFA was also misstated.

Effect: This adjustment as noted above, effected the amount of federal expenditures as initially reported on the SEFA under the Weatherization CFDA#81.042. The subsequent increase in program expenditures resulted in the Weatherization program rising above the B program threshold. This resulted in a redetermination of major programs and caused the weatherization program to be selected as a major program for Single Audit purposes.

PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

Questioned Costs: None.

Context: The corrected SEFA was not provided to audit staff on a timely basis resulting in significant additional audit procedures near the end the nine-month period in which the single audit must be completed. No other indications of deficiencies in the general procedures or internal controls over the preparation of the SEFA were noted.

Recommendation: We recommend the County establish procedures at the fund level to develop primary controls and at the finance department level to develop additional controls to verify that underlying revenue is reported in the proper period. We also recommend that the County establish procedures to ensure amounts reported on the schedule of expenditures of federal awards are correct and that any corrections to the SEFA are provided to the auditor on a timely basis.

Views of responsible officials and planned corrective actions: We agree with the above finding and have implemented an appropriate corrective action plan.

**PUEBLO COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2018**

Finding 2017-001

Current Status: Corrective action taken.



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**INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of County Commissioners
Pueblo County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pueblo County, Colorado (the County), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 17, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. [2018-001, 2018-002, and 2018-005]

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies. [2018-003 and 2018-004]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Pueblo, Colorado's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McPherson, Goodrich, Paulini & Mahesh, PC

September 17, 2019

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Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

Board of County Commissioners
Pueblo County, Colorado

Report on Compliance for Each Major Federal Program

We have audited Pueblo County, Colorado's (the County's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2018. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the County's compliance.

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Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-006, that we consider to be a material weakness.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

September 17, 2019

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PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2018

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY'S IDENTIFYING NUMBER</u>	<u>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed through Colorado Department of Human Services -				
Supplemental Nutrition Assistance Program Cluster -				
State Administrative Matching Grants for				
Supplemental Nutrition Assistance Program	10.561	Not available		1,928,729
Supplemental Nutrition Assistance Enhanced Workfare	10.551	Not available		211,881
Total SNAP Cluster				<u>2,140,610</u>
Food Distribution Cluster -				
Commodity Supplemental Food Program (Admin)	10.565	Not available		146,634
Commodity Supplemental Food Program (Commodities -				
Non-Cash)	10.565	Not available		665,487
Passed through Care & Share -				
Emergency Food Assistance Program (Administrative Costs)	10.568	Not available		9,999
Emergency Food Assistance Program (Food Commodities -				
Non-Cash)	10.569	Not available		641,842
Total Food Distribution Cluster				<u>1,463,962</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>3,604,572</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed through Colorado Department of Local Affairs -				
Emergency Shelter Grants Program	14.231	H5ESG14932		39,154
Passed through City of Pueblo, Colorado -				
Community Development Block Grant	14.218	CD1310, F09CDB09084		44,985
Home Investment Partnership Program	14.239	Not available		94,521
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u>178,660</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Direct Assistance -				
Equitable Sharing Program	16.922	Not available		68,852
Passed through Colorado Department of Public Safety				
Division of Criminal Justice -				
Crime Victim Assistance (DA)	16.575	2014-VA-GX-0002		34,589
Crime Victim Assistance (Sheriff)	16.575	15-VA-137779		95,185
Passed through City of Pueblo, Colorado -				
Edward Byrne Memorial Justice Assistance Grant	16.738	2016-DJ-BX-0577		4,803
Edward Byrne Memorial Justice Assistance Grant	16.738	Not available		18,768
Passed through City of Colorado Springs, Colorado -				
Part E - Developing, Testing and Demonstrating Promising New				
Programs	16.541	Not available		212,736
TOTAL U.S. DEPARTMENT OF JUSTICE				<u>434,933</u>

PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
YEAR ENDED DECEMBER 31, 2018

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY'S IDENTIFYING NUMBER</u>	<u>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Passed through Colorado Department of Transportation -				
Highway Planning and Construction Cluster-				
Highway Planning and Construction	20.205	15HA2 73574		79,570
	20.205	16-HA2 ZH 00146		166,826
	20.205	ER C020-041		42,296
	20.205	ER-C020-043		86,777
	20.205	ER C020-044		45,554
Total Highway Planning and Construction Cluster				421,023
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				421,023
<u>U.S. DEPARTMENT OF ENERGY</u>				
Passed through Colorado Office of Energy Conservation -				
State Energy Program	81.041	C900850 & C900895		351,210
Weatherization Assistance CIP	81.042	C900850 & C900896		331,105
TOTAL U.S. DEPARTMENT OF ENERGY				682,315
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed through Colorado Department of Human Services -				
Special Programs for the Aging -				
Title VII - Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	Not available	103	1,157
Title VII - Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	Not available	388	13,045
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	Not available	11,459	11,459
Aging Cluster -				
Special Programs for the Aging - Title III, Part B - Grants for Supporting Services and Senior Centers	93.044	Not available	130,117	162,448
Special Programs for the Aging - Title II, Part C - Nutrition Services	93.045	Not available	328,231	328,231
Nutrition Services Incentive Program (USDA)	93.053	Not available	61,129	61,129
Total Aging Cluster			519,477	551,808
Title III, Part E - National Family Caregiver Support Guardianship Assistance	93.052	Not available	51,693	51,693
	93.090	Not available		61,790
Affordable Car Act - ADRC	93.517	Not available	5,978	5,978
Promoting Safe & Stable Families	93.556	Not available		120,837
TANF Cluster				
Temporary Assistance to Needy Families	93.558	Not available		10,249,345
Total TANF Cluster				10,249,345
Title IV-D, Child Support Enforcement	93.563	Not available		1,579,819
Low-Income Home Energy Assistance (DSS)	93.568	Not available		4,137,485
Low-Income Home Energy Assistance (HHS)				231,022
CCDF Cluster -				
Child Care & Development Block Grant	93.575	Not available		1,135,298
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	L15CSBG37		1,008,049
Total CCDF Cluster				2,143,347

PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
YEAR ENDED DECEMBER 31, 2018

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY'S IDENTIFYING NUMBER</u>	<u>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Cont'd)</u>				
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not available		99,636
Foster Care - Title IV-E	93.658	Not available		2,463,116
Adoption Assistance	93.659	Not available		1,106,756
Social Services Block Grant - Title XX	93.667	Not available		709,405
Chafee Foster Care Independence Program	93.674	Not available		87,021
Medicaid Cluster				
Medicaid Medical Assistance Program	93.778	Not available		2,589,166
Passed through Colorado Department of Health Care Policy and Financing -				
Medical Assistance Program (Healthy Communities Outreach and Case Management Program)-EPSDT	93.778	Not available	201,177	288,758
Single Entry Point, Medical Assistance Program	93.778	Not available		1,117,182
Total Medicaid Cluster				<u>3,995,106</u>
Passed through Colorado Department of Local Affairs - Community Services Block Grant	93.569	Not available		<u>277,588</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>790,275</u>	<u>27,897,413</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Passed through Colorado Department of Emergency Management -				
Chemical Stockpile Emergency Preparedness	97.040	15CSEP15PC & 16CSEP16PC & 17CSEP17PC & 18CSEP18PC		4,509,988
Homeland Security Grant	97.067	16SHS17SR & 17SHS18SR & 18SHS19SR		182,969
2018 Emergency Management Performance Grant	97.042	Not available		72,000
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				<u>4,764,957</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 790,275</u>	<u>\$ 37,983,873</u>

PUEBLO COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2018

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Pueblo County, Colorado (the County) under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The County has elected not to use the 10 percent *de minimus* indirect cost rate allowed under the Uniform Guidance.



PUEBLO COUNTY

C O L O R A D O

Budget & Finance

Sherri Crow
Interim Director

September 17, 2019

RE: Finding 2018-001: Excise Tax Fund

The following is the Corrective Action Plan (CAP) related to the noted finding.

Corrective Action Plan

Agency:	US Department of Justice
Audit Period:	December 2018
Audit Finding Number:	2018-001
Audit Finding Title:	Excise Tax Fund
Specific Steps to be Taken:	The Finance Department is responsible for issuing all payments related to Pueblo County via the accounts payable process. All expenses processed through the Excise Tax Fund will now require approval from the Budget and Finance Director prior to payment processing. This will ensure the expenses are not only approved by the appropriate individuals but will also ensure the expenses meet the specific criteria established for allowable Excise Tax Fund expenditures. The Board of Pueblo County Commissioners (BOCC) have created a Retail Marijuana Sales and Excise Taxes Oversight Committee. This committee will, in part, review revenues and expenditures in accordance with the criteria establish for each.



PUEBLO COUNTY

C O L O R A D O

Budget & Finance

Sherri Crow
Interim Director

Corrective Action Plan

2018-001, continued

Anticipated Completion Date:	September 17, 2019
Name(s) and Title(s) of Contact Person(s) Responsible for Corrective Action:	Sherri Crow – Interim Budget & Finance Director/Controller

If you should have any questions or comments, please do not hesitate to contact me at
sherri.crow@pueblocounty.us



PUEBLO COUNTY

C O L O R A D O

Budget & Finance

Sherri Crow
Interim Director

September 17, 2019

RE: Finding 2018-002:

The following is the Corrective Action Plan (CAP) related to the noted finding.

Corrective Action Plan

Agency:	US Department of Justice
Audit Period:	December 2018
Audit Finding Number:	2018-002
Audit Finding Title:	Procurement and Related Parties
Specific Steps to be Taken:	The Finance Department is responsible for obtaining all records related to new vendors providing services for Pueblo County that are paid through the accounts payable (AP) process. There is currently a "Request to Add New Vendor" form that is completed by the requestor and sent to the Finance Department to ensure all necessary information is included before establishing the vendor in the AP system. New criteria will be added to this form to address issues identified in the audit finding for all new vendors. Vendor addition forms will need to be approved by the Budget and Finance Director prior to processing any payments. The County has recently hired a County Manager who is in the process of reviewing procurement and contract policies and procedures and will be implementing changes, staff training



PUEBLO COUNTY

C O L O R A D O

Budget & Finance

Sherri Crow
Interim Director

Corrective Action Plan

2018-002, continued

	as well as additional internal controls. These changes will address existing vendor processes in conjunction with the new vendor process stated above.
Anticipated Completion Date:	January 2020
Name(s) and Title(s) of Contact Person(s) Responsible for Corrective Action:	Sherri Crow – Interim Budget & Finance Director/Controller

If you should have any questions or comments, please do not hesitate to contact me at sherri.crow@pueblocounty.us



PUEBLO COUNTY

C O L O R A D O

Budget & Finance

Sherri Crow
Interim Director

September 17, 2019

RE: Finding 2018-003:

The following is the Corrective Action Plan (CAP) related to the noted finding.

Corrective Action Plan

Agency:	US Department of Justice
Audit Period:	December 2018
Audit Finding Number:	2018-003
Audit Finding Title:	Capitalization of Software Development Costs
Specific Steps to be Taken:	The Finance Department is responsible for preparing all ongoing accounting year-end adjustments related to Pueblo County. The Finance Department will add a step in the year-end adjustment procedure that includes discussing all relative items with external departments, (including IT), to ensure current operational changes are communicated and accurately depicted within the year-end accounting adjustments.
Anticipated Completion Date:	January 2020
Name(s) and Title(s) of Contact Person(s) Responsible for Corrective Action:	Sherri Crow – Interim Budget & Finance Director/Controller

If you should have any questions or comments, please do not hesitate to contact me at sherri.crow@pueblocounty.us



PUEBLO COUNTY

C O L O R A D O

Budget & Finance

Sherri Crow
Interim Director

September 17, 2019

RE: Finding 2018-004:

The following is the Corrective Action Plan (CAP) related to the noted finding.

Corrective Action Plan

Agency:	US Department of Justice
Audit Period:	December 2018
Audit Finding Number:	2018-004
Audit Finding Title:	Runyon Field Component Unit
Specific Steps to be Taken:	The Finance Department will implement procedures to review the financial information from Runyon Field on a regular and scheduled basis to ensure that all receipts and expenditures are recorded accurately and that all funds are being accounted for. The two additional bank accounts identified in the audit ("team" accounts) have been closed and all funds will run through one bank account in Runyon Field's name. The agreement between Pueblo County and Runyon Field is being reviewed and will be updated for 2020, and will incorporate changes which will strengthen internal controls, follow Generally Accepted Accounting Principles (GAAP), and increase Pueblo County oversight.
Anticipated Completion Date:	October 2019
Name(s) and Title(s) of Contact Person(s) Responsible for Corrective Action:	Sherri Crow – Interim Budget & Finance Director/Controller

If you should have any questions or comments, please do not hesitate to contact me at sherri.crow@pueblocounty.us



PUEBLO COUNTY

C O L O R A D O

DEPARTMENT OF HUMAN SERVICES

Tim Hart, Director

September 17, 2019

RE: Finding 2018-005 & 2018-006:

The following is the Corrective Action Plan (CAP) related to the noted finding.

Corrective Action Plan

Agency:	US Department of Justice
Audit Period:	December 2018
Audit Finding Number:	2018-005 & 2018-006
Audit Finding Title:	Housing & Human Services Fund & Internal Control Over Compliance
Specific Steps to be Taken:	In 2019, Housing and Human Services was combined with Social Services to form the Department of Human Services. During 2019 the Fiscal Manager and the Accounting Manager at the Department of Human Services created new spreadsheets to monitor and track the revenue and associated expenditures for each program to ensure accuracy. They also regularly communicate with the program managers and the State to verify revenues and expenses are recorded in the proper periods. The County Finance Department will provide written outlines of expectations of year-end work and timelines for all major federal programs as well as other items relating to the Department of Human Services and will more closely monitor information received. The Finance Department will also update the Schedule of Expenditures of Federal Awards (SEFA) as soon as these deadlines are complete.
Anticipated Completion Date:	January 2020
Name(s) and Title(s) of Contact Person(s) Responsible for Corrective Action:	Tim Hart – Department of Human Services Director & Sherri Crow – Interim Budget & Finance Director/Controller

If you should have any questions or comments please do not hesitate to contact me at tim.hart@pueblocounty.us or (719)583-6962.

Tim Hart, Pueblo County Dept. of Human Services Director

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