

City of Pueblo, Colorado is pleased to present its comprehensive annual financial report for the year ending December 31, 2020 in .pdf format.

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city of

PUEBLO

colorado



CITY OF PUEBLO, COLORADO

For the fiscal year ending December 31, 2020

Comprehensive Annual Financial Report

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CITY OF PUEBLO, COLORADO
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2020

Prepared by:

Department of Finance

CITY OF PUEBLO, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

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

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Statement of Net Position	18
Statement of Activities	19

Fund Financial Statements

Governmental Funds

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

Proprietary Funds

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

Custodial Funds

Statement of Fiduciary Net Position	28
Statement of Changes in Fiduciary Net Position	29

<u>Notes to Financial Statements</u>	30
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TABLE OF CONTENTS (Cont'd.)

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule - General Fund	121
Reconciliation of the Budgetary Basis of Accounting to GAAP	
Basis of Accounting - General Fund	122
Budgetary Comparison Schedule - Economic Development	
1/2 Cent Tax Fund	123
Reconciliation of the Budgetary Basis of Accounting to GAAP	
Basis of Accounting - Economic Development 1/2 Cent Tax Fund	124
Budgetary Comparison Schedule - HUD Grants Fund	125
Reconciliation of the Budgetary Basis of Accounting to GAAP	
Basis of Accounting - HUD Grants Fund	126
Notes to Required Supplementary Information	127
Schedule of the City's Proportionate Share of the Net Positions Liability-	
PERA LGDTF	128
Schedule of the City's Contributions – PERA LGDTF	129
Schedule of the City's Proportionate Share of the Net Pension (Asset)/Liability –	
FPPA – New Hire Fire and Police Fund	130
Schedule of the City's Contributions FPPA – New Hire Fire and Police	
Pension Fund	131
Schedule of Changes in the City's Net Position Liability and Related	
Ratios - Pueblo Old Hire Police Pension Plan	132
Schedule of City's Contributions - Pueblo Old Hire Police Pension Fund	133
Schedule of Changes in the City's Net Pension Liability and Related	
Ratios – Pueblo Old Hire Fire Pension Fund	134
Schedule of City's Contributions - Pueblo Old Hire Fire Pension Fund	135
Schedule of City's Proportionate Share of the Other Post-Employment	
Benefit Amounts – PERA LGDTF	136
Schedule of City's Other Post-Employment Benefit Contributions –	
PERA LGDTF	137
Schedule of Changes in the City's Net Other Post-Employment Benefit	
Liability and Related Ratios – Pueblo Police Unit	138
Schedule of Changes in the City's Net Other Post-Employment Benefit	
Liability and Related Ratios – Pueblo Fire Unit	139

SUPPLEMENTARY INFORMATION

EXPLANATION OF FUNDS 140

Combining, Individual Fund Financial Statements and Schedules -	
Nonmajor Governmental Funds:	
Combining Balance Sheet	144
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances	146

SPECIAL REVENUE FUNDS

Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual:	
Intergovernmental Fund	148
Special Charges Fund	149
Stimulus Grants Fund	150

TABLE OF CONTENTS (Cont'd.)

SUPPLEMENTARY INFORMATION (Cont'd)

Police Safety Tax Fund	151
Southpointe Special District Fund	152
Bandera Blvd. Special District Fund	153
North Gateway BID Fund	154
North Gateway PIF Fund	155
Other Special Revenue Fund	156

CAPITAL PROJECTS FUNDS

Budgetary Comparison Schedule:	
Public Improvement Fund	157
Reconciliation of the Budgetary Basis of Accounting to GAAP	
Basis of Accounting – Public Improvement Fund	158

DEBT SERVICE FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual:	
Debt Service Fund	159

ENTERPRISE FUNDS

Combining Statement of Net Position	160
Combining Statement of Revenues, Expenses and Changes in	
Net Position	161
Combining Statement of Cash Flows	162
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual:	
Golf Course Enterprise Fund	163
Sewer User Fund	164
Stormwater Utility Fund	165
Memorial Hall Fund	166
Memorial Airport Fund	167
Street Repair Fund	168
Honor Farm Fund	169
Transportation Services Fund	170
Parking Facilities Fund	171

INTERNAL SERVICE FUNDS

Combining Statement of Net Position	172
Combining Statement of Revenues, Expenses and Changes in Net Position	173
Combining Statement of Cash Flows	174
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual - Internal Service Fund	175

OTHER SCHEDULES

Schedule of Passenger Facility Charge Collected and Expended	176
Local Highway Finance Report	177

TABLE OF CONTENTS (Cont'd.)

STATISTICAL SECTION

Net Position by Component	179
Changes in Net Position	180
Fund Balances, Governmental Funds	183
Changes in Fund Balances, Governmental Funds	184
General Government Tax Revenue by Source	185
Taxable Sales by Category	186
Principal Sales Taxpayers	187
Property Tax Levies and Collections	188
Assessed Value and Estimated Actual Value of Taxable Property	189
Property Tax Rates of Direct and Overlapping Governments	190
Principal Property Taxpayers	191
Ratios of Net Outstanding Debt by Type	192
Ratios of General Obligation Debt Outstanding	193
Computation of Direct and Overlapping Governmental Activities Debt	194
Legal Debt Margin Information	195
Pledged Revenue Coverage	196
Demographic and Economic Statistics	198
Principal Employers	199
Full Time Equivalent Employees by Function/Program	200
Operating Indicators by Function/Program	201
Capital Asset Statistics by Function/Program	202

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Introductory Section

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July 23, 2021

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

The Comprehensive Annual Financial Report of the City of Pueblo, Colorado for the fiscal year ended December 31, 2020, is hereby submitted fulfilling all legal and mandatory requirements.

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

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

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

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

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

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

The City of Pueblo's MD&A can be found immediately following the report of the independent auditors.

The City of Pueblo is required to undergo an annual single audit in conformity with the provisions of the Revised Single Audit Act of 1996 and the *Government Auditing Standards and Uniform Guidance Reports*. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports will be available in a separately issued report at a later date.

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

City Profile and Government Structure

The City of Pueblo was incorporated in 1870. It adopted its current home rule charter on April 6, 1954. Pueblo is located on Interstate 25 in Pueblo County approximately 115 miles south of Denver, and 45 miles south of Colorado Springs, Colorado. The City of Pueblo encompasses 54 square miles and is made up of residential, commercial, and industrial properties, as well as several areas of open space. The City maintains 81 parks covering a total of 608 acres. In addition, the City possesses a 600-acre Nature and Wildlife Discovery Center located in the foothills just to the southwest of the city.

The estimated population for the City of Pueblo reported by the U.S. Census Bureau was 111,750 in 2019.

In November 2017, the citizens of the City of Pueblo voted to change the structure of local governance from Council/Manager to Mayor/Council becoming effective in 2018. On January 22, 2019, the first Mayor was elected to serve a five-year initial term with all following election terms to last four years. This change in government created the executive branch of City government which is controlled and directed by the Mayor.

The City of Pueblo now operates under the Mayor/Council form of government. The Mayor is

responsible for supervision and control over all executive and administrative departments and agencies created by the City Council, appoints the City's Department Directors, City Attorney and Municipal Court Judge, subject to Council confirmation. The Mayor is also responsible for preparing the annual budget for submission to City Council, preparing an annual State of the City report and advising City Council of the financial condition and future needs of the City and making the necessary recommendations. The Mayor is responsible for enforcement of all terms and conditions of any contract or franchise agreement, and appointing members of City boards and commissions. The Mayor will recommend measures and ordinances deemed necessary concerning the affairs of the City, participate in discussions of the City Council in an advisory capacity, oversee the day-to-day operations of the City and carry out other duties as prescribed by the City Charter.

Policymaking and legislative authority are vested with the City Council. The Council is made up of a seven-member board consisting of four district representatives and three at-large members. All Council positions are elected to four-year staggered terms. The Council is responsible for, among other things, setting City policy, adopting ordinances and resolutions, and adopting the annual budget.

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

Economic Condition and the Local Economy

The City of Pueblo is the center of trade and services for south-central Colorado. With land area of 54 square miles and population of approximately 110,841, Pueblo is currently the 9th largest city in the State of Colorado in addition to being the most critical hub of health care, transportation, post-secondary education, retail, arts and entertainment and manufacturing activities in southern Colorado. The City's population growth rate has been slow, other areas such as Pueblo West, a Special Metro District, just west of the City limits experiences greater population growth. With north-south access from Interstate 25 and east-west access from Highways 50 the City of Pueblo is located on a vital national transportation corridor. Colorado State University – Pueblo and Pueblo Community College have facilities located within the City providing excellent higher education opportunities.

Consumer spending supports nearly 70 percent of all economic activities in Pueblo. Correspondingly, retail sales tax revenue, a key indicator of the area consumer spending is the primary source of income for the City. Pueblo's sales tax is generated from a balanced variety of business categories including auto sales, department stores, misc. retail sales, restaurants and utilities. Sales tax is generated directly from the City's own applied tax rate. Since the start of the great recession, the sales tax revenue for the City of Pueblo has been gradually recovering and indeed surpassing what it was prior to the great recession. During 2013, the sales and use tax revenue increased by 2.0 percent compared to 2012. In 2014, the sales and use tax followed a similar trend and was up 2.2 percent compared to 2013. The

sales and use tax revenue in fact exceeded our expectation and jumped 7.4 percent in 2015 compared to 2014 and another 7.4 percent increase in 2016. The pace of growth in sales and use tax slowed in 2017. The City's sales and use tax revenue grew 1.3 percent in 2017 compared to the previous year. In 2018, the City's sales and use tax revenue grew a mere 0.5 percent. For the first time in several years, we saw a substantial increase in tax revenue of 5.2% for 2019. Notwithstanding the economic chaos cause by the COVID-19 pandemic, sales and use tax grew 3.6% in 2020.

Critical economic development projects have occurred, and more are on the horizon which should provide a positive impact on Pueblo's economic growth over the next few years. Pueblo School District 60 is in the process of building two new high schools and three new elementary schools in the City. The City is processing multiple new subdivision applications and Richmond Homes, a nationwide home builder, is now building single family residences in Pueblo. The City of Pueblo, by way of its economic development incentives and other opportunities, promotes several areas of the City for mixed use office, retail, residential and commercial districts as well as manufacturing and industrial areas. These efforts are to provide diverse development opportunities and on-going priorities for the success of our community. Pueblo has a bright future.

Long Term Financial Planning

The City engages in long-term financial planning annually as part of the budget process in forecasting revenue, expenditure planning, and capital budgeting. In 2020, long-term financial planning involved the review of debt refinancing for the Municipal Justice Center to include the purchase and remodel of consolidated city office space as well as the purchase of land for the construction of new fire stations. As the result of the economic recovery from COVID-19 pandemic, favorable interest rates further supported these actions.

Budgetary Controls

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

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

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

General Government Functions

The City directly provides many essential services for the betterment of the Pueblo community. These include fire protection, police services, infrastructure maintenance, planning, culture, recreation (81 parks plus numerous recreational activities), housing programs, and administrative services.

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

Proprietary Operations

The City's financial statements include the enterprise fund operations of the City wastewater utility, the stormwater fund, airport operations, transit operations, parking facilities, Honor Farm including the Pueblo Motor sports Park (PMP), two golf courses and the Street Repair Utility Fund.

Debt Administration

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

Independent Audit

Each year the City has an audit performed by an independent certified public accounting firm. This year the firm of BDO USA, LLP of Denver, Colorado performed the audit. The auditors also conducted a "single audit" designed to meet the requirements of the federal Revised Single Audit Act of 1996 and the related *Government Auditing Standards and Uniform Guidance Reports*. The auditors' report on the basic financial statements can be found in the financial section of this report. The auditors' report on internal controls and compliance with applicable laws and regulations will be issued in a separate report at a later date.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pueblo for its comprehensive annual financial report for the year ending December 31, 2019. This was the 43rd year that the City has received this prestigious award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted

accounting principles and applicable legal requirements.

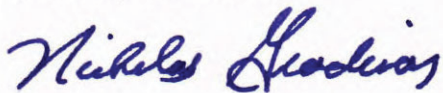
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this comprehensive annual financial report could not have been accomplished without the efficient and dedicated services of the entire finance staff throughout the fiscal year. We would like to express our appreciation to those individuals who assisted and contributed in the preparation of this report. We take this opportunity to extend our gratitude to all City employees who are responsible for maintaining daily financial records. Appreciation and recognition is extended to the accounting firm of McPherson, Goodrich, Paolucci & Mihelich for their assistance with the preparation of the annual report and also to BDO USA, LLP for the assistance and advice provided during this audit and throughout the year.

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

Respectfully submitted,

A handwritten signature in blue ink, reading "Nicholas Gradisar". The signature is written in a cursive, flowing style.

Nicholas A. Gradisar
Mayor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pueblo
Colorado**

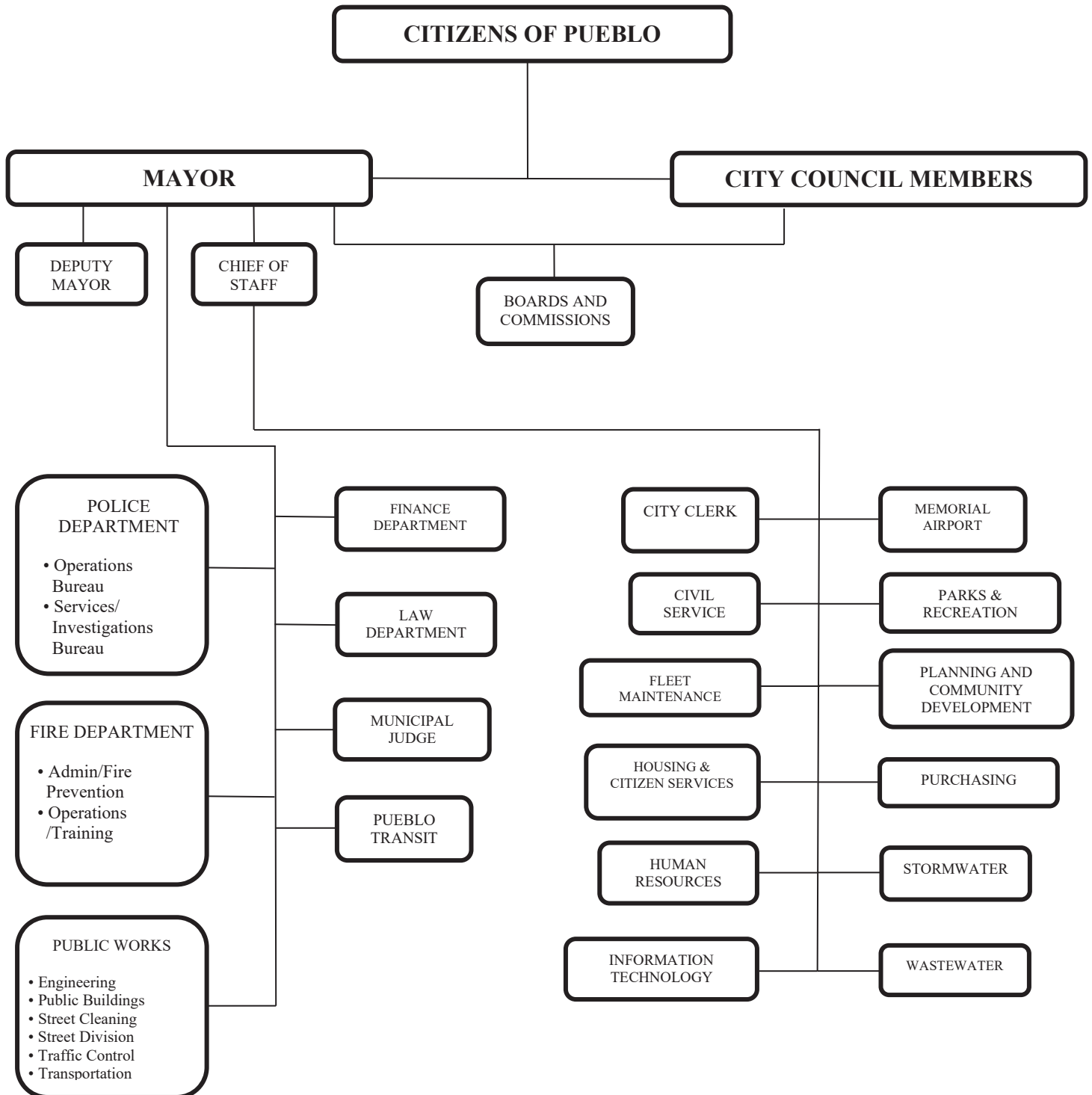
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrell

Executive Director/CEO

ORGANIZATIONAL CHART





**CITY OF PUEBLO
COLORADO**

**2020
COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

COUNCIL PRESIDENT

Dennis Flores

COUNCIL MEMBERS

Ray Aguilera

Mark Aliff

Lawrence Atencio

Ed Brown

Bob Schilling

Lori Winner

MAYOR

Nicholas A. Gradisar

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Financial Section

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Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Pueblo, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pueblo, Colorado (the "City"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pueblo, Colorado, as of December 31, 2020, 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.

We did not audit the financial statements of the Pueblo Urban Renewal Authority (the "Authority"). Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 17 and the budgetary comparison schedules and required pension schedules on pages 121 through 139 be presented to supplement the basic financial statements. Such information is the responsibility of management, 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 Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated July 23, 2021 on our consideration of the City of Pueblo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Pueblo's internal control over financial reporting and compliance.

BDO USA, LLP

Greeley, Colorado
July 23, 2021

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CITY OF PUEBLO, COLORADO MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the City of Pueblo, Colorado (the City) offers the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2020. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal found in the introductory section of this annual report.

FINANCIAL HIGHLIGHTS

The Government-wide financial statements shows that the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2019 by \$696.9 million (net position), \$462.5 million in governmental activities and \$234.4 million in business-type activities. The City's net position increased by \$27.3 million or 4.1% as a result of current year activity.

The General Fund, the City's primary operating fund, ended 2020 with a \$36.4 million fund balance, an increase of \$2.9 million. Of this amount, \$9.1 million or 10% of expenditures and transfers-out is committed by City Council as a minimum reserve for major unanticipated emergencies.

General fund revenues including transfers in increased \$975 thousand and expenditures including transfers out decreased by \$440 thousand in 2020. The decrease in expenditures was largely due to a decrease in Parks and recreation expenses. Parks and recreation programs were severely limited or in some cases not existent due to the COVID-19 pandemic.

The City's total long-term debt decreased by \$30.5 million during the current year. 76.2% of the decrease is due to decreases in the City's Pension and Other Post Employment Benefit (OPEB) obligations at year end. Reports issued by FPPA and PERA showed decreases in the liabilities relating to the plans with no changes in the actuarial assumptions.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The *Statement of Net Position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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

Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. Governmental

fund financial statements focus on near-term inflows and outflows of spendable resources, as well as the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

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

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

Custodial Funds. Custodial funds are used to account for resources held for the benefit of parties outside the government. Custodial funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for custodial funds is much like that used for proprietary funds. The basic custodial funds financial statements are presented later in this report.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City of Pueblo, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$696.9 million at December 31, 2020. This net position is an increase from 2019 and is largely due to significant decreases in liabilities due to Pension and OPEB obligations. By far, the largest portion of the City's net position (74.6%) reflects its investment of \$519.9 million in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure including streets and underground drainage systems), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$128.4 million (18.4%) represents resources that are subject to restrictions as to how they may be used. The unrestricted net position in total shows a surplus of \$48.6 million, however it is important to note that the governmental activities unrestricted fund balance shows a deficit of \$5.3 million, and the \$53.9 million unrestricted net position in the City's business-type activities may not be used to fund governmental activities.

The following table reflects the condensed Statement of Net Position as of December 31, 2020 and 2019:

City of Pueblo Summarized Statement of Net Position						
	Governmental Activities		Business-type Activities		Totals Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 207,862,264	\$ 201,805,459	\$ 68,307,187	\$ 57,818,201	\$ 276,169,451	\$ 259,623,660
Capital assets	350,587,908	340,153,168	207,433,122	206,966,992	558,021,030	547,120,160
Total assets	558,450,172	541,958,627	275,740,309	264,785,193	834,190,481	806,743,820
Deferred outflows of resources	24,218,533	34,173,166	1,442,191	3,170,228	25,660,724	37,343,394
Current and other liabilities	5,599,968	5,941,328	3,870,749	2,999,652	9,470,717	8,940,980
Long-term liabilities outstanding	78,481,136	101,090,013	35,868,686	43,728,093	114,349,822	144,818,106
Total liabilities	84,081,104	107,031,341	39,739,435	46,727,745	123,820,539	153,759,086
Deferred inflows of resources	36,047,571	20,726,965	3,063,677	1,893	39,111,248	20,728,858
Net position, as restated						
Net investment in capital assets	339,377,854	325,157,144	180,487,610	177,494,464	519,865,464	502,651,608
Restricted	128,434,347	129,508,504	-	-	128,434,347	129,508,504
Unrestricted	(5,272,171)	(6,292,161)	53,891,778	43,731,319	48,619,607	37,439,158
Total net position	\$ 462,540,030	\$ 448,373,487	\$ 234,379,388	\$ 221,225,783	\$ 696,919,418	\$ 669,599,270

The City's total net position increased by \$27.3 million in 2020. As noted earlier, this change is largely due to a change in Pension and OPEB liabilities. Some other notable changes include a \$1.9 million increase in charges for services and a \$8.4 million increase in Capital Grants and Contributions. 70% of the increase in charges for services is due to increased Sewer User Fees that are discussed later in Business Type activities. The increase in Capital Grants and contributions is largely due to a FAA grant for a Wildlife Perimeter Fence at Pueblo Memorial Airport. Details of capital asset activity can be seen in an additional chart further on in this report. Unrestricted net position increased \$11.1 million.

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Changes in net position. The following table reflects the City's changes in net position for the years ended December 31, 2020 and 2019:

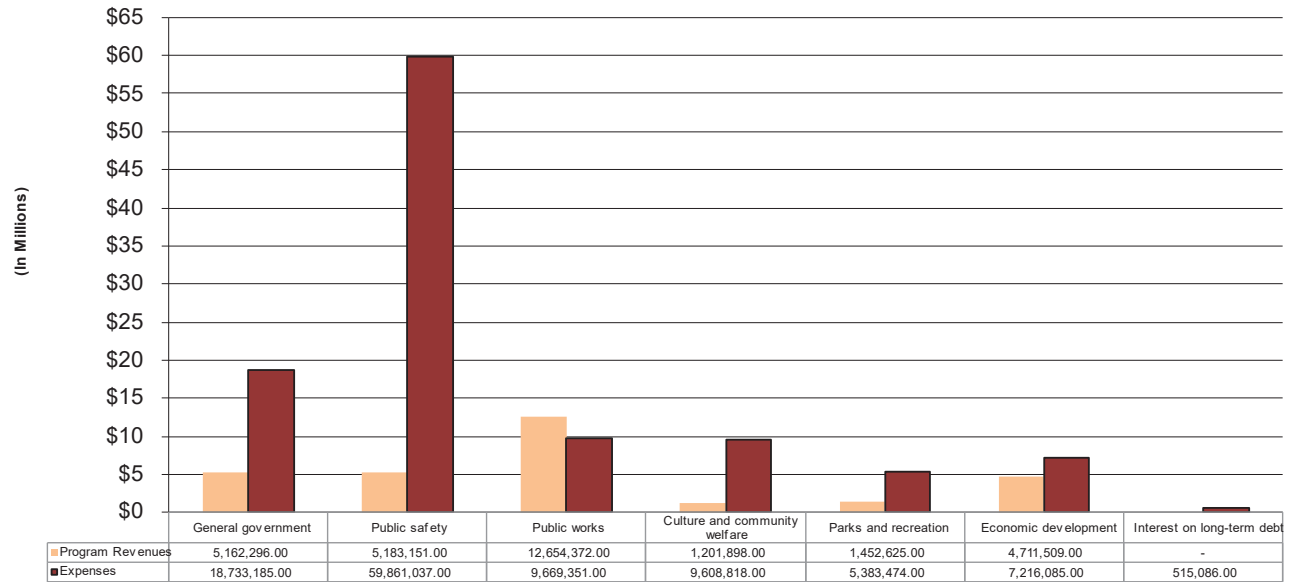
City of Pueblo								
Summarized Statement of Changes in Net Position								
	Governmental		Business-type		Totals			
	Activities		Activities		Primary Government			
	2020	2019	2020	2019	2020	2019		
Revenue:								
Program revenues:								
Charges for services	\$ 11,264,116	\$ 14,222,992	\$ 41,938,792	\$ 40,854,760	\$ 53,202,908	\$ 55,077,752		
Operating grants and contributions	10,477,385	10,798,995	5,020,738	4,219,974	15,498,123	15,018,969		
Capital grants and contributions	8,624,350	5,560,859	5,481,170	136,346	14,105,520	5,697,205		
General revenues:								
Property taxes	15,181,015	14,664,313	-	-	15,181,015	14,664,313		
Special property taxes	44,743	40,565	-	-	44,743	40,565		
Franchise and other taxes	6,899,005	7,449,814	-	-	6,899,005	7,449,814		
Sales and use taxes	71,452,938	68,816,685	-	-	71,452,938	68,816,685		
Payment in lieu of taxes	9,859	9,859	-	-	9,859	9,859		
Investment earnings	1,815,852	3,122,280	757,760	1,359,927	2,573,612	4,482,207		
Other	1,617,765	1,590,774	398,822	172,962	2,016,587	1,763,736		
Total revenues	127,387,028	126,277,136	53,597,282	46,743,969	180,984,310	173,021,105		
Expenses:								
General government	18,733,185	12,234,819	-	-	18,733,185	12,234,819		
Public safety	59,861,037	52,915,609	-	-	59,861,037	52,915,609		
Public works	9,669,351	9,201,995	-	-	9,669,351	9,201,995		
Culture and community welfare	9,608,818	10,050,263	-	-	9,608,818	10,050,263		
Parks and recreation	5,383,474	6,433,296	-	-	5,383,474	6,433,296		
Economic development	7,216,085	7,045,555	-	-	7,216,085	7,045,555		
Interest on long-term debt	515,086	605,412	-	-	515,086	605,412		
Golf enterprise	-	-	2,362,280	2,448,996	2,362,280	2,448,996		
Sewer user	-	-	19,629,035	14,030,091	19,629,035	14,030,091		
Stormwater utility	-	-	2,791,233	3,138,822	2,791,233	3,138,822		
Memorial airport	-	-	4,618,679	3,644,937	4,618,679	3,644,937		
Street repair	-	-	3,268,344	96,100	3,268,344	96,100		
Honor Farm	-	-	64,626	90,146	64,626	90,146		
Transportation Services	-	-	5,312,093	5,479,845	5,312,093	5,479,845		
Parking Facilities	-	-	662,032	744,936	662,032	744,936		
Memorial Hall	-	-	919,412	1,645,263	919,412	1,645,263		
Pueblo Transit	-	-	3,049,392	2,389,492	3,049,392	2,389,492		
Total expenses	110,987,036	98,486,949	42,677,126	33,708,628	153,664,162	132,195,577		
Increase in net position before transfers	16,399,992	27,790,187	10,920,156	13,035,341	27,320,148	40,825,528		
Transfers out, net	(2,233,449)	(4,846,463)	2,233,449	4,846,463	-	-		
Increase in net position	14,166,543	22,943,724	13,153,605	17,881,804	27,320,148	40,825,528		
Net position beginning of year, as restated	448,373,487	425,429,763	221,225,783	203,343,979	669,599,270	628,773,742		
Net position end of year	\$ 462,540,030	\$ 448,373,487	\$ 234,379,388	\$ 221,225,783	\$ 696,919,418	\$ 669,599,270		

Governmental activities increased the City's net position by \$14.1 million, accounting for 51.9% of the City's \$27.3 million overall increase in net position. Key elements of the increase are as follows:

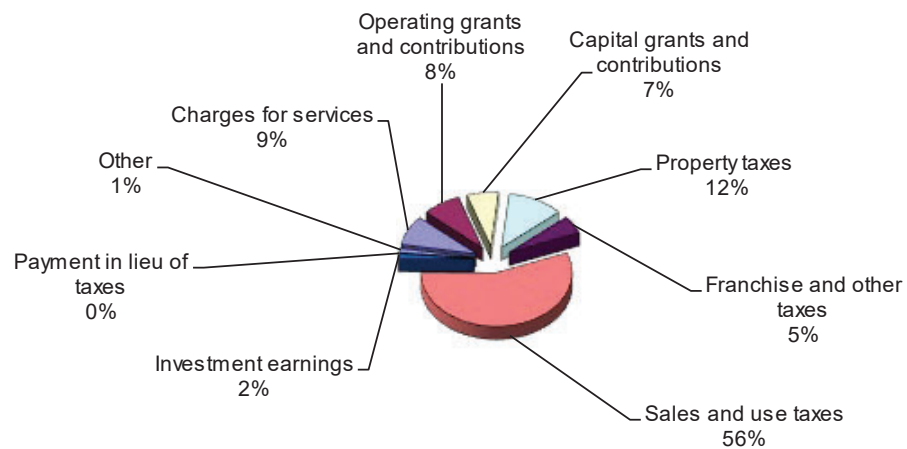
Property tax and sales and use taxes totaled 68% of all governmental activities' revenues. Property taxes increased \$517 thousand in 2020, while sales and use taxes, increased by \$2.6 million. Operating grants and contributions decreased \$321 thousand in 2020, while capital grants and contributions increased by \$3.1 million.

Total expenses increased by approximately \$12.5 million. This increase is due to several factors. A large component is the \$6.5 million Federal Cares Act allocation. In addition, there was an increase in pension expense of \$11 million based on the current actuarial reports.

Expenses and Program Revenues-Governmental Activity



Revenues by Source-Governmental Activities

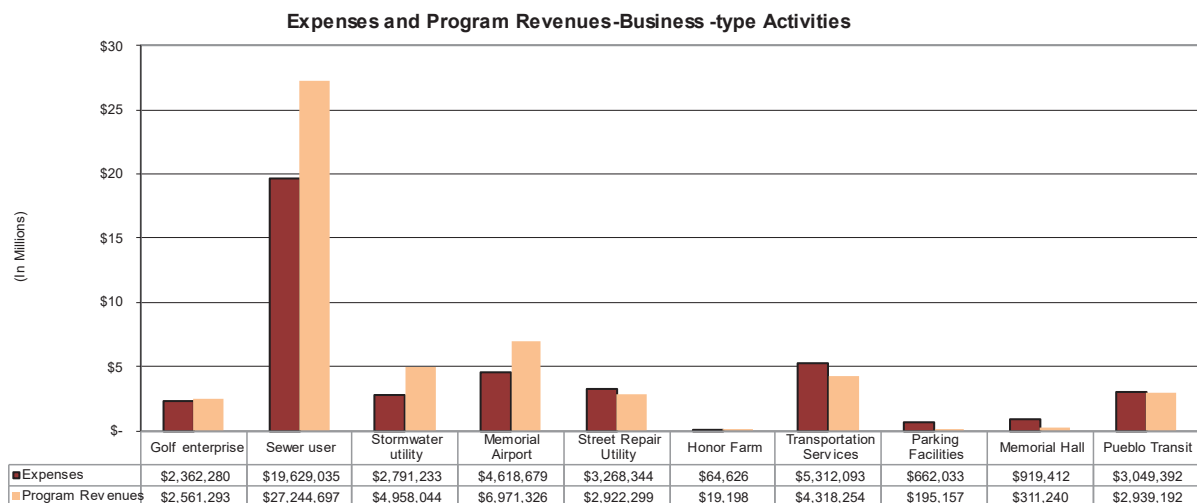


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Business-type activities increased the City's net position by \$13.2 million, accounting for 48.1% of the City's \$27.3 million overall increase in net position. Key elements of the increase are as follows:

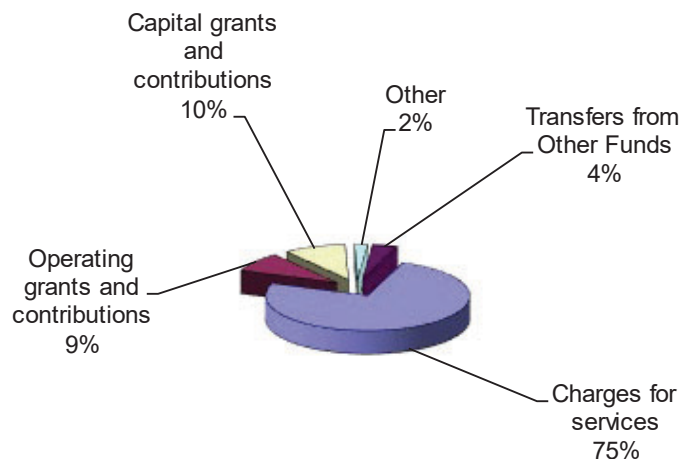
Total revenues were \$53.6 million, \$6.8 million more than in 2019. Some of the notable changes include: Operating grants and contributions increased by \$800 thousand, capital grants and contributions increased by \$5.3 million, while charges for services saw an increase of \$1.1 million. The increase in charges for services is due to a 6% Sewer User Fee increase that was approved in 2019. The increase is prorated by year and is scheduled to continue until 2024. The increased in Capital Grants and contributions was discussed earlier in this document and was due to an FAA grant.

Total business-type expenses totaled \$42.7 million in 2020, an increase of \$9.0 million as compared to the prior year. This increase is largely due to increased expenditures in Sewer User Fund. Sewer User expenses increased by \$5.6 million. The increase is due to Selenium Reduction projects and the Elizabeth Sanitary Sewer Project. Stormwater Utility expenses showed little fluctuation with a marginal increase of \$348 thousand.



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Revenue by Source- Business-type Activities



GOVERNMENT FUNDS FINANCIAL ANALYSIS

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

Governmental Funds

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

At December 31, 2020, the total Governmental fund balances were \$219.5 million, an increase of \$54.3 million from the prior year. Approximately 57.6% or \$126.5 million of the total fund balance are funds that are restricted for particular purposes which includes \$2.7 million for the TABOR emergency reserve. 100% of the \$99.4 million in the Economic Development Fund is restricted due to voter constraints. The City Council committed \$9.1 million of fund balance as a minimum reserve for unanticipated emergencies. The unassigned fund balance was \$8.3 million as of year-end. Additional information is contained in the notes to the financial statements, **Note III-J**.

The General Fund is the City's chief operating fund. As of December 31, 2020, the total fund balance was \$36.4 million (adjusted from budgetary basis to generally accepted accounting principles). The fund balance committed to be used for specific

purposes by formal action by City Council was \$9.1 million and the fund balance assigned intended for specific purposes was \$13.8 million. The committed fund balance is a City Council designated reserve of 10% of total General Fund revenues. This reserve is designated each year during the Budget process to ensure that there are sufficient reserves to ensure adequate services and support to the community. The assigned fund balance is largely made up of subsequent year expenditures. During the 2021 budget process, \$7.1 million of fund balance was assigned to cover 2021 expenditures. This assignment was necessary to balance the General Fund expenses after estimated revenues were greatly decreased with impact of the COVID-19 pandemic. There was \$8.3 million of unassigned fund balance as of December 31, 2020. The General Fund increased by \$2.9 million in 2020. This increase is largely due a reduction in expenses in the General Fund. At the start of the COVID-19 pandemic, the Mayor took strategic steps to curb expenses such as freezing vacant positions, eliminating temporary positions, and restricting other General fund expenditures (i.e., travel, and training) to ensure that the City could withstand any potential Sales and Use tax revenue decrease due to the pandemic. These strategic steps contributed significantly to the resulting General Fund balance increase at year end.

Total General Fund revenues, including transfers in of \$3.6 million, increased by \$975 thousand or 1.0%. Property Taxes increased \$516 thousand, Sales and Miscellaneous Taxes increased by \$1.6 million while Intergovernmental Charges increased by \$385 thousand and Charges for services decreased by \$560 thousand.

Total General Fund expenditures, including transfers out, decreased by \$439 thousand or 0.5%.

The Economic Development Fund is a major fund of the City. As of December 31, 2020, the total fund balance was \$99.4 million and decreased by \$2.6 million from 2019. Total revenue decreased \$2.4 million from the previous year. During 2019, there was a \$4.1 million sale of an asset in this fund that led to strong revenues for that year. Total expenditures decreased by \$7.3 million from the prior year. Due to the COVID-19 pandemic there was fewer economic development contracts during 2020. This decrease in contracts led to fewer expenses and less revenues from rentals of Economic Development properties. One significant expenditure of \$15 million to EVRAZ was incurred out of this fund during 2020. The Long Rail Mill expansion will bring jobs to the Pueblo community for years to come. The effects of fewer economic contracts and less revenue led to the fund balance decrease.

The HUD Grants Fund is another major fund of the City. As of December 31, 2020, the total fund balance was \$5.3 million and decreased by \$336 thousand from 2019.

The Public Improvements Fund, as of December 31, 2020, had a total fund balance of \$6.7 million, which decreased by \$935 thousand from the prior year. This fund has large changes from year to year in fund balance as the revenue stream depends

on intergovernmental grants received for capital projects. In 2020, expenditures decreased by \$6.7 million from the previous year. The fund activity included revenue and transfers in of \$12.5 million, an increase of \$5.5 million from 2019. This increase is largely due to the Federal Cares Act, Coronavirus Relief Funds that were allocated to the City of Pueblo through the State Department of Local Affairs. Current year expenditures and transfer out totaled \$13.4 million.

Proprietary Funds

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

The Sewer User Fund's Operating revenues increased by \$1.5 million in 2020 due to a rate increase to support ongoing improvements at the wastewater treatment facility. Other significant factors concerning the finances of the enterprise funds can be found in the discussion of the City's business-type activities.

The Stormwater Utility Fund saw a modest \$27 thousand decrease in revenues in 2020.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. The final budget appropriations were \$4.2 million higher than the original budget appropriations. The General Fund required additional funding of \$100,000 for environmental remediation at the Softball Field and Solar Garden projects, \$40,000 for the Care and Share Food Pantry, \$90,000 for the 2020 Special Election and \$4 million for the purchase and remodel of consolidated City office space.

Final budget compared to actual. Total revenues were \$1.6 million more than estimated. Tax revenue was approximately \$1.1 million more than estimated. Licenses and Permit, Intergovernmental, Charges for services, Fines and forfeits and other revenue were \$1.9 million more than estimated.

The variance between actual expenditures and the final budget was \$10.8 million in unspent appropriations. The decreased expenditures were primarily due to a large number of personnel vacancies across all departments and overall reduced spending, in response to the COVID-19 pandemic.

The 2020 adopted General Fund budget projected that \$5.9 million in reserves would be needed to balance the 2020 budget. After additional appropriations were made during the year the final projected use of reserves was projected to be \$10.1 million. At the end of 2020, the General Fund ended up with an excess of \$2.3 million in revenue. This excess eliminated the need to use the General Fund reserves during 2020.

On a comparative basis with the 2020 Adopted Budget, ending fund balance, was projected to be approximately \$18.1 million with a fund balance available for future appropriation of \$5.6 million. The most indicative metric for the improvement of the 2020 results compared to 2019, is sales and use tax revenues. Sales and use tax revenues continued to be the principal source of income for the City's operating and capital budgets at nearly 70% of all general taxes. On a comparative basis to 2019, sales and use tax revenue improved from 2018, by 5.2%. For 2020, compared to 2019, sales and use tax revenues improved by 3.6%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City of Pueblo's investment in capital assets for its governmental and business-type activities at December 31, 2020, net of accumulated depreciation, totaled \$558 million, a 10.9 million increase from 2019.

Capital Assets							
	Governmental Activities		Business-type Activities		Totals Primary Government		
	2020	2019	2020	2019	2020	2019	
Land and nondepreciable assets	\$ 100,998,247	\$ 98,171,857	\$ 4,525,351	\$ 4,514,774	\$ 105,523,598	\$ 102,686,631	
Land improvements	54,524,139	51,983,667	58,837,259	58,837,259	113,361,398	110,820,926	
Infrastructure	195,518,932	193,924,291	105,379,303	105,091,657	300,898,235	299,015,948	
Buildings	79,910,930	72,590,468	83,515,087	83,439,997	163,426,017	156,030,465	
Machinery and equipment	51,374,423	47,152,518	23,224,854	22,711,737	74,599,277	69,864,255	
Other improvements	-	-	26,398,937	26,398,937	26,398,937	26,398,937	
Construction in progress	2,544,806	4,150,094	13,247,085	8,479,243	15,791,891	12,629,337	
Accumulated depreciation	(134,283,569)	(127,819,727)	(107,694,754)	(102,506,612)	(241,978,323)	(230,326,339)	
	<u>\$ 350,587,908</u>	<u>\$ 340,153,168</u>	<u>\$ 207,433,122</u>	<u>\$ 206,966,992</u>	<u>\$ 558,021,030</u>	<u>\$ 547,120,160</u>	

Major changes to capital assets during the 2020 fiscal year included the following:

Governmental Activities:

Additions to land held for development:

450 Acres Sec 1 Town 22 R 65 – \$1.9 million

Additions to land improvements:

Gateway Plaza – \$2.5 million

Additions to buildings and building held for resale:

Goodnight Barn – \$1.1 million

350 Keeler Parkway – \$5.2 million

Additions to construction in progress in the governmental activities include:

SRDA HVAC and Lake Minnequa Park – \$1.5 million

Less: Capitalization of Gateway Plaza – (\$2.2 million)

Business-type Activities:

Additions to construction in progress in the business-type activities include:

Airport Wildlife Fence – \$4.4 million

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

Long-term debt. On December 31, 2020, the City had total debt outstanding of \$114.3 million, a decrease of \$30.5 million over 2019.

**City of Pueblo
Outstanding Debt**

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Compensated Absences	5,609,617	5,464,780	881,562	774,118	6,491,179	6,238,898
Notes payable	-	-	26,066,940	28,266,108	26,066,940	28,266,108
Capital lease obligations	2,725,413	3,961,942	878,572	1,206,420	3,603,985	5,168,362
Accrued Interest Payable	137,997	188,929	337,214	337,940	475,211	526,869
Claims and Judgements	468,817	1,406,510	-	-	468,817	1,406,510
Certificates of participation	9,066,703	11,810,165	-	-	9,066,703	11,810,165
Net Pension Liability	45,486,235	60,972,428	6,895,368	12,125,292	52,381,603	73,097,720
Net Post Employment Benefit Obligation	14,986,354	17,285,259	809,030	1,018,215	15,795,384	18,303,474
Total	\$ 78,481,136	\$ 101,090,013	\$ 35,868,686	\$ 43,728,093	\$ 114,349,822	\$ 144,818,106

All debt balances decreased during the year due to normal payments on obligations. The City acquired no new debt during the year 2020 and the only increase in long term debt was due to Compensated Absences. This increase is largely due to any salary increases received during the year that effect the balance of this obligation at year end. The largest decrease of \$23.2 million in this area was due to Net Pension and Post Employment Benefits obligations that decreased during the year. Further information on the calculation of these obligations can be found in **Note III-G** and **Note III-H** in the notes to the financial statements.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Fiscal year 2021 budget. The 2021 budget was prepared amidst the COVID-19 global pandemic. The budget was prepared with a very conservative approach due to the uncertainties of the continued pandemic impact. The budget was prepared with the commitment to provide the highest quality services to the community in the most cost-effective manner while maintaining the City's financial viability.

Sales and use tax revenues continue to be the principal source of income for the City's operating and capital budgets. Accordingly, the City took a conservative approach in developing the 2021 budget and assumed a modest 1% increase in sales and use tax, over the estimated actual amount for 2020. Estimated property tax revenue was projected to increase 6.8% over the estimated actual amount for 2020. The estimated was based on property valuations provided by the Pueblo County Assessor's Office.

The 2021 General Fund appropriation for expenditures (excluding transfers-out) is \$1.7 million less than the 2020 revised budget. Measures were taken to keep expenditures in line with anticipated revenues.

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

REQUEST FOR INFORMATION

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

Basic Financial Statements

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City of Pueblo, Colorado
Statement of Net Position
December 31, 2020

				Discretely-Presented	Component
				Units	
	Governmental	Business-Type	Total	Pueblo Urban	Pueblo
	Activities	Activities		Renewal	Municipal Rail
				Authority	Corporation
Assets					
Cash and cash equivalents	\$ 2,846,059	\$ 147,115	\$ 2,993,174	\$ 1,680,083	\$ -
Restricted cash and cash equivalents	4,071,326	-	4,071,326	1,722,507	-
Investments	85,573,843	63,958,172	149,532,015	-	-
Restricted investments	-	-	-	3,989,783	-
Receivables, net	90,750,096	7,441,381	98,191,477	5,787,635	-
Internal balances	14,418,612	(14,418,612)	-	-	-
Due from other governmental agencies	6,637,517	3,780,368	10,417,885	-	-
Inventories	234,952	774,664	1,009,616	212,382	-
Property held for resale	422,411	-	422,411	-	-
Net pension asset	1,891,810	-	1,891,810	-	-
Prepaid items	1,015,638	66,539	1,082,177	-	-
Unspent debt proceeds held by trustee	-	6,557,560	6,557,560	-	-
Capital assets					
Land, improvements, intangibles, and construction in progress	103,543,053	17,772,436	121,315,489	1,574,743	529,620
Other capital assets, net of accum. depreciation	247,044,855	189,660,686	436,705,541	46,398,900	2,838,200
Total capital assets	350,587,908	207,433,122	558,021,030	47,973,643	3,367,820
Total assets	558,450,172	275,740,309	834,190,481	61,366,033	3,367,820
Deferred outflows of resources					
Deferred amounts on refunding	582,062	-	582,062	1,407,925	-
Pension-related	23,390,361	1,340,977	24,731,338	127,470	-
OPEB-related	246,110	101,214	347,324	12,045	-
Total deferred outflows of resources	24,218,533	1,442,191	25,660,724	1,547,440	-
Liabilities					
Accounts payable and accrued expenses	5,599,968	3,702,311	9,302,279	389,815	-
Advances from others	-	168,438	168,438	14,224,557	-
Long-term liabilities					
Due within one year	5,167,194	3,017,107	8,184,301	4,026,561	1,665,758
Due in more than one year	73,313,942	32,851,579	106,165,521	33,484,127	984,554
Total liabilities	84,081,104	39,739,435	123,820,539	52,125,060	2,650,312
Deferred inflows of resources					
Property taxes	15,499,380	-	15,499,380	5,197,746	-
Other	1,018,618	-	1,018,618	-	-
Pension-related	15,399,859	2,891,013	18,290,872	176,032	-
OPEB-related	4,129,714	172,664	4,302,378	9,382	-
Total deferred inflows of resources	36,047,571	3,063,677	39,111,248	5,383,160	-
Net position					
Net investment in capital assets	339,377,854	187,045,170	526,423,024	15,928,022	1,180,283
Restricted for					
Pension asset	1,891,810	-	1,891,810	-	-
Tabor	2,652,189	-	2,652,189	-	-
Economic development	99,377,578	-	99,377,578	-	-
Debt service and district projects	-	-	-	4,438,230	-
Capital projects	2,751,335	-	2,751,335	-	-
Public safety	4,121,262	-	4,121,262	-	-
Public works	10,153,708	-	10,153,708	-	-
Parks and recreation	1,640,956	-	1,640,956	-	-
Culture and community welfare	5,845,509	-	5,845,509	-	-
Unrestricted	(5,272,171)	47,334,218	42,062,047	(14,960,999)	(462,775)
Total net position	\$ 462,540,030	\$ 234,379,388	\$ 696,919,418	\$ 5,405,253	\$ 717,508

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

City of Pueblo, Colorado
Statement of Activities
For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 18,733,185	\$ 5,046,435	\$ 115,861	\$ -
Public safety	59,861,037	3,502,772	1,110,779	569,600
Public works	9,669,351	2,387,377	4,937,328	5,329,667
Culture and community welfare	9,608,818	27,930	1,102,568	71,400
Parks and recreation	5,383,474	299,602	-	1,153,023
Economic development	7,216,085	-	3,210,849	1,500,660
Interest on long-term debt	515,086	-	-	-
Total governmental activities	110,987,036	11,264,116	10,477,385	8,624,350
Business-type activities				
Golf enterprise	2,362,280	2,561,293	-	-
Sewer user	19,629,035	27,051,658	193,039	-
Stormwater utility	2,791,233	4,855,003	-	103,041
Memorial airport	4,618,679	591,341	1,160,292	5,219,693
Street repair	3,268,344	2,922,299	-	-
Honor farm	64,626	19,198	-	-
Transportation services	5,312,093	299,372	3,860,446	158,436
Parking facilities	662,032	195,157	-	-
Memorial Hall	919,412	311,240	-	-
Pueblo Transit	3,049,392	2,939,192	-	-
Total business-type activities	42,677,126	41,745,753	5,213,777	5,481,170
Total primary government	\$ 153,664,162	\$ 53,009,869	\$ 15,691,162	\$ 14,105,520
Component Units				
Pueblo Urban Renewal Authority	\$ 10,002,277	\$ 835,921	\$ 250,512	\$ 127,000
Pueblo Municipal Rail Corporation	130,837	-	-	-
Total component units	\$ 10,133,114	\$ 835,921	\$ 250,512	\$ 127,000
General revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for specific purposes				
Franchise and other taxes				
Sales and use taxes				
Payment in lieu of taxes				
Unrestricted investment earnings				
Gain/(loss) on asset exchange				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, January 1				
Net position, December 31				

Net (Expense) Revenue and Change in Net Position			Discretely-Presented Component Units	
Governmental Activities	Business-Type Activities	Total	Pueblo Urban Renewal Authority	Pueblo Municipal Rail Corporation
\$ (13,570,889)	\$ -	\$ (13,570,889)		
(54,677,886)	-	(54,677,886)		
2,985,021	-	2,985,021		
(8,406,920)	-	(8,406,920)		
(3,930,849)	-	(3,930,849)		
(2,504,576)	-	(2,504,576)		
(515,086)	-	(515,086)		
(80,621,185)	-	(80,621,185)		
-	199,013	199,013		
-	7,615,662	7,615,662		
-	2,166,811	2,166,811		
-	2,352,647	2,352,647		
-	(346,045)	(346,045)		
-	(45,428)	(45,428)		
-	(993,839)	(993,839)		
-	(466,875)	(466,875)		
-	(608,172)	(608,172)		
-	(110,200)	(110,200)		
-	9,763,574	9,763,574		
(80,621,185)	9,763,574	(70,857,611)		
			\$ (8,788,844)	\$ -
			-	(130,837)
			\$ (8,788,844)	\$ (130,837)
15,181,015	-	15,181,015	6,714	-
44,743	-	44,743	5,035,133	-
6,899,005	-	6,899,005	-	-
71,452,938	-	71,452,938	5,112,351	-
9,859	-	9,859	-	-
1,815,852	757,760	2,573,612	20,476	-
113,597	241,534	355,131	-	-
1,504,168	157,288	1,661,456	-	109,667
(2,233,449)	2,233,449	-	-	-
94,787,728	3,390,031	98,177,759	10,174,674	109,667
14,166,543	13,153,605	27,320,148	1,385,830	(21,170)
448,373,487	221,225,783	669,599,270	4,019,423	738,678
\$ 462,540,030	\$ 234,379,388	\$ 696,919,418	\$ 5,405,253	\$ 717,508

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

City of Pueblo, Colorado
Balance Sheet
Governmental Funds
December 31, 2020

		Major Special Revenue		Capital Projects		
	General Fund	Economic Development 1/2 Cent Tax	HUD Grants	Public Improvements Funds	Total Nonmajor Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 2,845,759	\$ -	\$ -	\$ -	\$ -	\$ 2,845,759
Restricted cash and cash equivalents	-	100,000	-	47,678	527,265	674,943
Investments	35,352,437	36,610,506	-	-	13,610,900	85,573,843
Taxes receivable, net	22,056,957	1,112,307	-	-	60,961	23,230,225
Due from other funds	15,350,659	2,147,107	1,389,110	6,381,869	4,215,453	29,484,198
Receivable from other governments	-	-	773,787	5,840,498	23,232	6,637,517
Notes and loans receivable, net	-	59,541,001	4,287,114	-	-	63,828,115
Advance to other funds	1,623,563	-	-	747,000	-	2,370,563
Other receivables	2,272,505	75,274	299,959	-	945,284	3,593,022
Inventories	34,627	-	-	-	-	34,627
Property held for resale	-	-	116,966	-	305,445	422,411
Prepaid items	812,788	-	-	-	12,096	824,884
Total assets	\$ 80,349,295	\$ 99,586,195	\$ 6,866,936	\$ 13,017,045	\$ 19,700,636	\$ 219,520,107
Liabilities						
Accounts payable and accrued liabilities	\$ 2,283,358	\$ 64,034	\$ 19,443	\$ 1,073,721	\$ 1,735,448	\$ 5,176,004
Due to other funds	23,678,015	-	487,793	84,326	498	24,250,632
Total liabilities	25,961,373	64,034	507,236	1,158,047	1,735,946	29,426,636
Deferred inflows of resources	18,020,703	144,583	1,074,330	5,113,868	1,082,421	25,435,905
Fund balances						
Nonspendable	2,470,978	-	-	-	-	2,470,978
Restricted	2,652,189	99,377,578	5,285,370	2,581,791	16,645,609	126,542,537
Committed	9,137,317	-	-	104,831	-	9,242,148
Assigned	13,776,119	-	-	4,058,508	236,660	18,071,287
Unassigned	8,330,616	-	-	-	-	8,330,616
Total fund balances	36,367,219	99,377,578	5,285,370	6,745,130	16,882,269	164,657,566
Total liabilities, deferred inflows of resources, and fund balances	\$ 80,349,295	\$ 99,586,195	\$ 6,866,936	\$ 13,017,045	\$ 19,700,636	\$ 219,520,107

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

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

December 31, 2020

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

Fund balances of governmental funds	\$ 164,657,566
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Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental fund financial statements.

Capital assets	\$ 482,300,223	
Less: accumulated depreciation	<u>(132,531,719)</u>	349,768,504

Pension liabilities/asset and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements

Pension liability	\$ (44,910,670)	
Pension asset	1,891,810	
Deferred outflows of resources relating to pensions	23,278,428	
Deferred inflows of resources relating to pensions	<u>(15,158,542)</u>	(34,898,974)

Other post-employment benefit (OPEB) liabilities and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements

OPEB liability	\$ (14,918,728)	
Deferred outflows of resources relating to OPEB	237,650	
Deferred inflows of resources relating to OPEB	<u>(4,115,281)</u>	(18,796,359)

Internal service funds are collapsed into governmental activities	9,623,417
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Long-term liabilities are not due and payable from current financial resources, and therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities consist of:

Certificates of participation	\$ (9,066,703)	
Unamortized loss on refunding	582,062	
Capital leases payable	(2,631,379)	
Compensated absences payable	(5,479,583)	
Accrued interest payable	<u>(136,428)</u>	(16,732,031)

Certain revenue was earned and accrued in the statement of net position, but has been deferred in the governmental funds balance sheet.

Other deferred inflows of resources (unavailable revenue)	\$ 8,917,907	8,917,907
Total net position of governmental activities		\$ 462,540,030

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

City of Pueblo, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

		Major Special Revenue		Capital Projects		
	General Fund	Economic Development 1/2 Cent Tax	HUD Grants	Public Improvements Funds	Total Nonmajor Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 15,181,015	\$ -	\$ -	\$ -	\$ 44,743	\$ 15,225,758
Sales and miscellaneous taxes	63,054,466	9,167,325	-	-	6,164,609	78,386,400
Payment in lieu of taxes	9,859	-	-	-	-	9,859
Fees and fines	1,754,396	-	-	-	-	1,754,396
Licenses and permits	880,489	-	-	-	-	880,489
Intergovernmental	4,346,202	-	257,487	5,932,281	5,589,311	16,125,281
Charges for services	4,390,786	700,488	4,186	-	1,562,598	6,658,058
Investment earnings	445,730	1,130,556	-	121	158,377	1,734,784
Other revenues	644,783	242,494	23,744	306,301	90,641	1,307,963
Total revenues	90,707,726	11,240,863	285,417	6,238,703	13,610,279	122,082,988
Expenditures						
Current						
General government	12,388,047	-	-	4,965,920	-	17,353,967
Public safety	48,586,183	-	-	473,697	2,888,654	51,948,534
Public works	6,380,763	-	-	514,800	1,361,803	8,257,366
Parks and recreation	5,264,182	-	-	-	309,372	5,573,554
Economic development	-	7,098,308	-	-	-	7,098,308
Culture and community welfare	6,087,327	-	411,429	264,258	2,315,058	9,078,072
Debt service						
Principal	-	-	-	-	3,887,638	3,887,638
Interest and other charges	-	-	-	-	368,605	368,605
Capital outlay	142,398	7,843,317	76,472	5,002,628	2,863,296	15,928,111
Total expenditures	78,848,900	14,941,625	487,901	11,221,303	13,994,426	119,494,155
Excess (deficiency) of revenues over expenditures	11,858,826	(3,700,762)	(202,484)	(4,982,600)	(384,147)	2,588,833
Other financing sources (uses)						
Insurance recovery	-	32,206	-	-	-	32,206
Transfers in	3,610,319	2,119,390	8,000	6,266,588	4,268,191	16,272,488
Transfers out	(12,536,268)	(1,011,000)	(141,325)	(2,219,390)	(3,546,741)	(19,454,724)
Total other financing sources (uses)	(8,925,949)	1,140,596	(133,325)	4,047,198	721,450	(3,150,030)
Net change in fund balance	2,932,877	(2,560,166)	(335,809)	(935,402)	337,303	(561,197)
Fund balances at beginning of year	33,434,342	101,937,744	5,621,179	7,680,532	16,544,966	165,218,763
Fund balances at end of year	\$ 36,367,219	\$ 99,377,578	\$ 5,285,370	\$ 6,745,130	\$ 16,882,269	\$ 164,657,566

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

City of Pueblo, Colorado
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2020

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

Total change in fund balances - governmental funds. \$ (561,197)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Capital outlay	\$ 16,094,030	
Depreciation expense	(7,596,010)	
Net book value of assets transferred to business-type activities	(70,596)	
Net book value of capital asset disposals	(314,448)	8,112,976

In the statement of activities, donations of capital assets are reported as program revenues. However, these do not represent a current financial resource, so are not reported in the funds. 2,398,388

An internal service fund is used by the City's management to charge the cost of risk management to individual departments, to charge the cost of fleet management activities to individual departments, and to charge the cost of the city-wide telephone system to individual departments. The assets, deferred outflows of resources, liabilities and deferred inflows of resources of the internal service fund is included with governmental activities in the statement of net position.

Change in net position of governmental internal service fund	\$ 3,448,139	
Net operating profit attributed to business-type activities	(594,879)	2,853,260

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 governmental funds. (4,394,600)

Recognition and measurement of the changes in the net other post-employment benefit (OPEB) liability, together with OPEB-related deferred outflows of resources and deferred inflows of resources in the financial statements prepared using the economic resources measurement focus and the accrual basis of accounting are not current financial resources and, therefore, are not reported in governmental funds. (1,044,588)

Proceeds from the issuance of long-term debt are reported as other financing sources, and principal repayments of long-term debt are reported as expenditures in governmental fund financial statements, while these are reported as increases or decreases in long-term debt in the government-wide financial statements. Also, changes in other long-term liabilities and related accounts (i.e. accrued interest, deferred loss on refunding, accrued compensated absences and other post-employment benefits) are not reported in the governmental financial statements.

Principal payments on certificates of participation	\$ 2,743,462	
Principal payments on capital leases	1,144,176	
Change in accrued interest	49,391	
Change in debt insurance costs	(194,021)	
Change in compensated absences payable	(128,598)	3,614,410

Certain revenue was earned and accrued in the statement of net position, but has been deferred in the governmental funds balance sheet. 3,187,894

Change in net position of governmental activities \$ 14,166,543

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

City of Pueblo, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2020

Business-type Activities								Internal Service Fund
	Golf Course Enterprise	Sewer User Fund	Stormwater Utility	Memorial Airport	Other Enterprise Funds	Total		
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ 675	\$ 100	\$ 400	\$ 145,940	\$ 147,115	\$ 300	
Restricted cash and cash equivalents	-	-	-	-	-	-	3,396,383	
Investments	-	46,388,988	17,148,235	420,949	-	63,958,172	-	
Accounts receivable, net	67,127	4,692,330	868,293	1,000,523	682,852	7,311,125	98,734	
Due from other funds	305,801	47,363	52,916	725,842	3,411,438	4,543,360	5,001,116	
Due from other governments	-	-	-	-	3,780,368	3,780,368	-	
Other receivables	-	94,475	34,924	857	-	130,256	-	
Prepaid expenses	-	39,370	3,519	-	23,650	66,539	190,754	
Inventories	-	479,242	-	-	295,422	774,664	200,325	
Unspent debt proceeds held by trustee	-	-	6,557,560	-	-	6,557,560	-	
Total current assets	372,928	51,742,443	24,665,547	2,148,571	8,339,670	87,269,159	8,887,612	
Noncurrent assets								
Capital assets								
Land	56,086	185,461	659,337	56,889	3,453,085	4,410,858	-	
Land improvements Infrastructure	4,640,046	27,690	8,646,234	43,281,918	2,241,371	58,837,259	-	
Infrastructure	-	54,675,118	49,977,729	719,671	6,785	105,379,303	-	
Other improvements	4,172,816	-	-	22,016,104	210,017	26,398,937	-	
Buildings	1,689,412	50,704,612	-	13,151,407	17,969,656	83,515,087	1,036,366	
Machinery and equipment	2,604,926	6,351,067	3,462,988	2,976,758	7,829,116	23,224,855	1,534,888	
Less accumulated depreciation	(8,008,792)	(30,682,436)	(17,220,262)	(39,496,025)	(12,287,240)	(107,694,755)	(1,751,850)	
Artworks	44,370	-	-	3,912	8,823	57,105	-	
Intangibles	-	20,105	35,805	-	1,478	57,388	-	
Construction in progress	-	8,437,318	101,243	4,708,524	-	13,247,085	-	
Total capital assets	5,198,864	89,718,935	45,663,074	47,419,158	19,433,091	207,433,122	819,404	
Total noncurrent assets	5,198,864	89,718,935	45,663,074	47,419,158	19,433,091	207,433,122	819,404	
Total assets	5,571,792	141,461,378	70,328,621	49,567,729	27,772,761	294,702,281	9,707,016	
Deferred outflows of resources								
OPEB-related	1,242	49,203	12,675	9,688	709	73,517	36,157	
Pension-related	16,436	650,967	167,694	128,176	9,385	972,658	480,252	
Total deferred outflows of resources	17,678	700,170	180,369	137,864	10,094	1,046,175	516,409	
Liabilities								
Current liabilities								
Accounts payable	72,803	1,608,815	38,012	202,579	1,661,628	3,583,837	423,964	
Accrued expenses	-	-	-	-	118,474	118,474	-	
Accrued interest payable	34,301	238,977	63,936	-	-	337,214	1,569	
Due to other funds	1,108,528	-	7,100,126	294,265	6,249,541	14,752,460	25,582	
Advances from others	47,077	-	-	-	121,361	168,438	-	
Compensated absences	-	40,936	7,155	14,241	25,825	88,157	13,003	
Capital lease obligation	341,147	-	-	-	-	341,147	94,034	
Claims and judgments	-	-	-	-	-	-	398,494	
Bonds, notes and loans payable	-	1,951,333	299,256	-	-	2,250,589	-	
Total current liabilities	1,603,856	3,840,061	7,508,485	511,085	8,176,829	21,640,316	956,646	
Noncurrent liabilities								
Compensated absences	-	368,420	64,396	128,166	232,423	793,405	117,031	
Capital lease obligation	537,425	-	-	-	-	537,425	-	
Claims and judgments	-	-	-	-	-	-	70,323	
Bonds payable, net	-	17,646,120	6,170,231	-	-	23,816,351	-	
Advance from other funds	1,623,563	-	-	-	747,000	2,370,563	-	
Net OPEB liability	9,930	393,292	101,315	77,439	5,670	587,646	289,010	
Net pension liability	84,512	3,347,304	862,291	659,087	48,261	5,001,455	2,469,478	
Total noncurrent liabilities	2,255,430	21,755,136	7,198,233	864,692	1,033,354	33,106,845	2,945,842	
Total liabilities	3,859,286	25,595,197	14,706,718	1,375,777	9,210,183	54,747,161	3,902,488	
Deferred inflows of resources								
OPEB-related	2,119	83,937	21,623	16,527	1,210	125,416	61,681	
Pension-related	35,435	1,403,420	361,531	276,334	20,234	2,096,954	1,035,376	
Total deferred inflows of resources	37,554	1,487,357	383,154	292,861	21,444	2,222,370	1,097,057	
Net position								
Net investment in capital assets	4,320,292	70,121,482	45,751,147	47,419,158	19,433,091	187,045,170	725,370	
Unrestricted	(2,627,662)	44,957,512	9,667,971	617,797	(881,863)	51,733,755	4,498,510	
Total net position	\$ 1,692,630	\$ 115,078,994	\$ 55,419,118	\$ 48,036,955	\$ 18,551,228	\$ 238,778,925	\$ 5,223,880	

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time

(4,399,537)

Net position of business-type activities

\$ 234,379,388

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

City of Pueblo, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities						Governmental Activities
	Golf Course Enterprise	Sewer User Fund	Stormwater Utility	Memorial Airport	Other Enterprise Funds	Total	Internal Service Fund
Operating revenues							
Charges for services	\$ 2,561,293	\$ 27,051,658	\$ 4,855,003	\$ 591,341	\$ 3,747,266	\$ 38,806,561	\$ 19,598,239
Other revenues	3,218	38,049	94	246,861	105,101	393,323	606,570
Total operating revenues	2,564,511	27,089,707	4,855,097	838,202	3,852,367	39,199,884	20,204,809
Operating expenses							
Personnel services	96,597	4,488,632	854,065	950,811	8,022	6,398,127	3,882,505
Contractual services	854,700	1,647,408	696,705	232,092	5,263,016	8,693,921	27,368
Utilities	483,605	657,870	45,963	375,737	478,563	2,041,738	63,387
Repairs and maintenance	107,915	9,754,179	100,093	679,353	3,539,891	14,181,431	68,072
Other supplies and expenses	283,461	841,748	98,879	682,308	603,259	2,509,655	1,161,518
Insurance claims expense	-	-	-	-	-	-	12,412,361
Depreciation	422,266	1,895,743	887,844	1,727,288	746,358	5,679,499	88,395
Total operating expenses	2,248,544	19,285,580	2,683,549	4,647,589	10,639,109	39,504,371	17,703,606
Operating income (loss)	315,967	7,804,127	2,171,548	(3,809,387)	(6,786,742)	(304,487)	2,501,203
Nonoperating revenues (expenses)							
Interest and investment revenue	-	552,071	202,080	3,609	-	757,760	-
Operating grants and contributions	-	193,039	21,092	6,377,143	4,018,882	10,610,156	-
Interest expense	(116,347)	(528,865)	(180,803)	(2,427)	-	(828,442)	(1,851)
Gain (loss) on disposal of capital assets	-	-	3,800	(596)	2,295	5,499	-
Total nonoperating revenues (expenses)	(116,347)	216,245	46,169	6,377,729	4,021,177	10,544,973	(1,851)
Income (loss) before contributions and transfers	199,620	8,020,372	2,217,717	2,568,342	(2,765,565)	10,240,486	2,499,352
Capital contributions	-	-	81,949	2,842	-	84,791	-
Transfers in	-	-	40,180	348,801	1,896,648	2,285,629	1,100,000
Transfers out	-	-	(12,000)	(40,180)	-	(52,180)	(151,213)
Changes in net position	199,620	8,020,372	2,327,846	2,879,805	(868,917)	12,558,726	3,448,139
Net position at beginning of year	1,493,010	107,058,622	53,091,272	45,157,150	19,420,145		1,775,741
Net position at end of year	\$ 1,692,630	\$ 115,078,994	\$ 55,419,118	\$ 48,036,955	\$ 18,551,228		\$ 5,223,880
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise funds						594,879	
Change in net position						\$ 13,153,605	

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

City of Pueblo, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities Enterprise Funds						Governmental Activities Internal Service Fund
	Golf Course Enterprise	Sewer User Fund	Stormwater Utility	Memorial Airport	Other Enterprise Funds	Total	
Cash flows from operating activities							
Cash received from customers	\$ 2,552,712	\$ 26,815,566	\$ 4,863,880	\$ 170,912	\$ 2,832,438	\$ 37,235,508	\$ 20,212,830
Cash payments to suppliers	(1,699,185)	(13,241,498)	(942,437)	(2,111,352)	(8,546,242)	(26,540,714)	(14,285,054)
Cash payments to employees	(97,070)	(4,672,384)	(1,275,013)	(956,354)	(49,350)	(7,050,171)	(3,769,144)
Receipts for interfund services	-	-	-	-	1,052,076	1,052,076	-
Payments for interfund services	(152,385)	(107,457)	(52,916)	914,888	(1,038,335)	(436,205)	296,480
Net cash flows from operating activities	604,072	8,794,227	2,593,514	(1,981,906)	(5,749,413)	4,260,494	2,455,112
Cash flows from non-capital financing activities							
Transfers in	-	-	91,875	308,621	1,896,648	2,297,144	948,787
Transfers out	-	-	-	-	-	-	-
Receipts (payments) from fund advance	-	-	-	-	(57,943)	(57,943)	-
Operating grants and contributions	-	193,039	21,092	6,377,143	4,018,882	10,610,156	-
Net cash flows from non-capital financing activity	-	193,039	112,967	6,685,764	5,857,587	12,849,357	948,787
Cash flows from capital and related financing activities							
Proceeds from the sale of capital assets	-	-	3,800	100	2,295	6,195	-
Acquisitions of capital assets	(147,670)	(635,811)	(139,741)	(4,524,963)	(198,045)	(5,646,230)	(11,771)
Capital contributions received	-	-	11,353	2,842	-	14,195	-
Principal paid on long-term debt	(327,848)	(1,836,971)	(281,807)	-	-	(2,446,626)	(92,353)
Interest paid on long-term debt	(128,554)	(618,129)	(160,448)	(2,427)	-	(909,558)	(3,392)
Net cash flows from capital and related financing activities	(604,072)	(3,090,911)	(566,843)	(4,524,448)	(195,750)	(8,982,024)	(107,516)
Cash flows from investing activities							
Interest earnings received	-	552,071	202,080	3,609	-	757,760	-
Maturity of investments	-	19,106,653	6,913,895	93,850	-	26,114,398	-
Acquisition of investments	-	(25,555,079)	(9,255,613)	(276,869)	-	(35,087,561)	-
Net cash flows from investing activities	-	(5,896,355)	(2,139,638)	(179,410)	-	(8,215,403)	-
Net increase (decrease) in cash and cash equivalents	-	-	-	-	(87,576)	(87,576)	3,296,383
Cash and cash equivalents at beginning of year	-	675	100	400	233,516	234,691	100,300
Cash and cash equivalents at end of year	\$ -	\$ 675	\$ 100	\$ 400	\$ 145,940	\$ 147,115	\$ 3,396,683
Reported in the accompanying statement of net position as follows:							
Cash and cash equivalents	\$ -	\$ 675	\$ 100	\$ 400	\$ 145,940	\$ 147,115	\$ 300
Restricted cash and cash equivalents	-	-	-	-	-	-	3,396,383
	\$ -	\$ 675	\$ 100	\$ 400	\$ 145,940	\$ 147,115	\$ 3,396,683
Reconciliation of operating income (loss) to net cash flows from operating activities							
Operating income (loss)	\$ 315,967	\$ 7,804,127	\$ 2,171,548	\$ (3,809,387)	\$ (6,786,742)	\$ (304,487)	\$ 2,501,203
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:							
Depreciation	422,266	1,895,743	887,844	1,727,288	746,358	\$ 5,679,499	88,395
(Increase) decrease in operating assets:							
Accounts receivable	(11,799)	(274,141)	8,783	(169,575)	(1,019,928)	(1,466,660)	8,021
Due from other funds	(189,104)	(107,457)	(52,916)	(497,715)	(7,367)	(854,559)	296,480
Prepaid items	-	(39,370)	(358)	-	(1,476)	(41,204)	105,912
Inventories	-	-	-	-	9,890	9,890	28,214
Increase (decrease) in operating liabilities:							
Accounts payable and accrued expenses	30,496	(224,583)	8,393	(124,709)	1,335,191	1,024,788	(670,235)
Due to other funds	(40,596)	-	-	914,888	21,108	895,400	-
Advances from others	77,315	-	-	-	-	77,315	-
Net OPEB liability and related deferred inflows and outflows of resources	411	(5,560)	(34,285)	1,488	(3,947)	(41,893)	1,910
Net pension liability and related deferred inflows and outflows of resources	(884)	(254,532)	(395,495)	(24,184)	(42,500)	(717,595)	95,212
Net cash flows from operating activities	\$ 604,072	\$ 8,794,227	\$ 2,593,514	\$ (1,981,906)	\$ (5,749,413)	\$ 4,260,494	\$ 2,455,112
Schedule of noncash investing, capital and financing activities							
Capital assets contributed from governmental activities	\$ -	\$ -	\$ 70,596	\$ -	\$ -	\$ 70,596	\$ -
Capital assets purchased with prior unspent debt proceeds	-	-	429,500	-	-	429,500	-
Unrealized gain (loss) on investments	-	375,989	136,054	1,847	-	513,890	-

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

Custodial Funds

City of Pueblo, Colorado
Statement of Fiduciary Net Position
Custodial Funds

December 31, 2020

	Subdivision Infrastructure
Assets	
Cash and cash equivalents	\$ 2,358,080
Total assets	2,358,080
Liabilities	
Accounts payable	19,942
Total liabilities	19,942
Net position	
Restricted	2,338,138
Total net position	\$ 2,338,138

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

City of Pueblo, Colorado
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2020

	Subdivision Infrastructure
Additions	
Deposits received	\$ 146,802
Total additions	146,802
Deductions	
Deposits released	207,203
Total deductions	207,203
Change in net position	(60,401)
Net position at beginning of year	2,398,539
Net position at end of year	\$ 2,338,138

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

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Notes to Financial Statements

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City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

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

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

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. REPORTING ENTITY, Continued

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

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

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

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

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

North Gateway Number 1 Public Improvement Corporation – North Gateway Number 1 Public Improvement Corporation (North Gateway PIC No. 1) was organized by City Council as a 63-20 nonprofit corporation to fund extraordinary public improvements within the boundaries of the North Gateway Number 1 public improvement district. The property owners within the boundaries of the North Gateway PIC No. 1 district

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. REPORTING ENTITY, Continued

impose a public improvement fee on sales that occur within these boundaries. The public improvement corporation is a blended component unit because City Council members are the governing body of the corporation and management of the City has operational responsibilities for North Gateway PIC No. 1. The North Gateway PIC No. 1 is reported as a nonmajor governmental fund.

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

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

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements, which include the statement of net position and the statement of activities, report information on all of the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the City is reported separately from its legally separate component units for which the City is financially accountable.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS, Continued

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

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The fiduciary fund, which consists only of a custodial fund, has no measurement focus and uses the accrual basis of accounting.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied, while grants and similar items are recognized as revenue when all eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if collected within 60 days of the end of the fiscal year except the availability period is considered 90 days for the City's government-mandated non-exchange transactions that are generally classified as expenditure-driven grants. Expenditures generally are recorded when a liability is incurred as is the case with accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due. General capital asset acquisitions are reported as expenditures in governmental funds, while issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Business-type activities and all proprietary funds are accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operation. The principal operating revenues of the City's golf courses and the sewer and storm water utilities and airport are charges to customers for sales and services. Operating expenses for the enterprise funds and the internal service fund include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

GOVERNMENTAL FUNDS

The City reports the following major governmental funds:

- The General Fund is the primary operating fund of the City and is always classified as a major fund. The General Fund is used to account for all financial resources of the City except those required to be accounted for in a separate fund. Major revenue sources include sales and use taxes, property taxes, franchise and other taxes, and intergovernmental revenue. Primary expenditures include general government, public safety (fire and police), public works, parks and recreation, and culture and community welfare.
- The Economic Development ½-Cent Tax Fund is a special revenue fund used to promote economic development within and around the City. Funds are provided by a ½-cent sales tax and expenditures generally consist of loans made to private businesses.
- The HUD Grants Fund is a special revenue fund used to implement the federally-funded community development block grant and HOME grant. Funds are used for current programs benefiting low- and moderate-income individuals and families.
- The Public Improvements Fund is a capital projects fund that combines the Public Improvements Fund, which is a fund used to implement various federal and state grants awarded to the City, and the Capital Improvements Fund, which is a fund used primarily for the City's capital improvement program. Funds are used for numerous current activities including general government, public safety, public works, parks and recreation, transportation and transportation planning, and capital outlay.
- Other governmental funds are a summarization of all other nonmajor governmental funds.

PROPRIETARY FUNDS

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

- The Golf Course Enterprise Fund combines the operations of the city-owned Elmwood Golf Course and Walking Stick Golf Course funds. Activities of the funds include operation and maintenance of the golf courses, along with the accumulation of resources for the payment of principal and interest on the capital leases outstanding. All costs are financed through charges to users with rates reviewed regularly and adjusted as necessary.
- The Sewer User Fund accounts for the operations of the City's sewer utility. Activities of the fund include administration, operation and maintenance of the sewer system, along with accumulation of resources for the payment of principal and interest on long-term debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

- The Stormwater Utility Fund accounts for the operations of the City's storm water utility. Activities of the fund include administration, operation, and maintenance of the storm water system, along with accumulation of resources for the payment of principal and interest on capital leases, notes payable and fund advances. All costs are financed through charges to customers.
- The Memorial Airport Fund accounts for the operations of the airport that is located approximately eight miles east of the City. Activities include administration, operation and maintenance of the airport. Costs are financed through charges to customers, transfers from other funds and capital grants.
- Other Enterprise Funds is a summarization of all other nonmajor enterprise funds.

INTERNAL SERVICE FUNDS

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

CUSTODIAL FUNDS

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

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

D. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include cash on hand, along with interest and non-interest-bearing bank deposits. Restricted cash and cash equivalents represent bank deposits held in compliance with economic development agreements, federal forfeitures, grant agreements, and funds held by lender for purchase of fire and police equipment.

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. CASH EQUIVALENTS

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

F. PROPERTY TAXES

Property taxes were levied on December 10, 2020, 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 reappraisal of all property must be made every two years. The last reevaluation date was January 1, 2021 for the collection period of January 1, 2019 through June 30, 2020 as specified by state law.

The taxes levied on December 10, 2020 reflect 2020 taxes that will be collected in 2021. The taxes are collected by the County Treasurer and are remitted to the City on a monthly basis. These taxes are due and considered earned on January 2 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.

G. INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” and “due to other funds” in the fund financial statements.

H. INVENTORIES AND PREPAID ITEMS

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

I. CAPITAL ASSETS

Capital assets, which include land, land improvements, buildings, infrastructure, other improvements, machinery and equipment, intangible assets and construction-in-progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The capitalization levels were established at \$2,500 for machinery and equipment; \$25,000 for land improvements, buildings, building improvements and computer software. No capitalization threshold was established for land, intangible assets, artworks, and historical treasures. Infrastructure is capitalized only if the outlay meets the criteria established for capitalization. The criteria for capitalization include (1) increasing the capacity or operating efficiency or (2) extending the useful life of the asset. These levels were set to maintain a balance between accountability and managing the costs of recording and tracking these assets.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. CAPITAL ASSETS, Continued

Capital assets are defined as assets with an initial individual cost or estimated cost that equals or exceeds the limits identified above and have a useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value on the date received. Normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Construction-period interest recorded in business-type activities (proprietary funds) is no longer capitalized beginning in 2019 due to the City's adoption of GASB Statement No. 89. There was no construction-period interest charged to expense during the year ended December 31, 2020.

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

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

J. COMPENSATED ABSENCES

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. COMPENSATED ABSENCES, Continued

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

K. LONG-TERM LIABILITIES

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

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

L. PENSION PLANS

The City follows the provisions of GASB Statement 68, *Accounting and Financial Reporting for Pensions* and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* for all the plans in which the City participates. The Primary Government (the City and its blended component unit - Pueblo Transit Authority) and the Discretely Presented Component Unit (Pueblo Urban Renewal Authority) participate in the Local Government Division Trust Fund (LGDTF) which is a cost-sharing, multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association Plan (PERA). The City also participates in the New Hire Fire and Police Plan, the Statewide Defined Benefit Plan (SWDB), which is a statewide, cost sharing, multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). In addition, the City also participates in the Old Hire Fire Plan and the Old Hire Police Plan that are agent, multiple-employer defined benefit pension plans administered by FPPA.

Public Employee Retirement Association

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 LGDTF 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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. PENSION PLANS, Continued

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. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of December 31, 2020.

New Hire Fire and Police Plan

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

Old Hire Police Plan

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

Old Hire Fire Plan

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

M. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The City follows the provisions of Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension*, for all the plans in which the City participates. The Primary Government (the City and its blended component unit - Pueblo Transit Authority) and its Discretely Presented Component Unit (Pueblo Urban Renewal Authority) participate in the Health Care Trust Fund (HCTF), a cost-sharing, multiple-employer defined benefit OPEB fund administered by Public Employees' Retirement Association Plan (PERA). The City also participates in the Fire and Police Unit OPEB plans, which are a single employer, defined benefit plan, provided by the City of Pueblo.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

Public Employee Retirement Association

The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Fire Unit and Police Unit

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. Benefit payments are funded on a pay-as-you go basis.

N. FUND EQUITY

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

- Nonspendable – includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories, prepaid items, long-term notes receivable and fund advances.
- Restricted – includes amounts that are restricted for specific purposes stipulated by external resource providers constitutionally or through enabling legislation.
- Committed – includes amounts that can only be used for the specific purposes determined by the passage of an ordinance of City Council. Commitments may be modified or changed only by City Council approving a new ordinance.
- Assigned – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the Mayor and Director of Finance as outlined by City Council's passage of an ordinance to which the assigned amounts are to be used for specific purposes.
- Unassigned – includes amounts that do not meet any of the above criteria. The City may report positive unassigned fund balance only in the general fund and negative unassigned fund balances may be reported in all funds.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. FUND EQUITY, Continued

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

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

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

When both restricted and unrestricted resources are available for net position use, it is the City’s policy to use restricted resources first and then use unrestricted resources as they are needed. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assignment actions.

O. INTERFUND TRANSACTIONS

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

P. ESTIMATES

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020. The objective of GASB 95 is to postpone effective dates to provide temporary relief in light of the COVID-19 pandemic. The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement No. 83, *Certain Asset Retirement Obligations*, Statement No. 84, *Fiduciary Activities*, Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, Statement No. 90, *Majority Equity Interests*, Statement No. 91, *Conduit Debt Obligations*, Statement No. 92, *Omnibus 2020*, and Statement No. 93, *Replacement of Interbank Offered Rates*. The effective dates of the following pronouncement is postponed by 18 months: Statement No. 87, *Leases*.

The City has elected to delay implementation of these standards as applicable to the City in accordance with Standard No. 95 except for Statement No. 84 and Statement No. 89 which has been previously implemented by the City. GASB No. 83 and 90, were effective for the current reporting period, but had no effect on the City's financial reporting. GASB No. 88 was implemented in the year ended December 31, 2020 which resulted in an additional disclosure of pledged assets related to amounts due to the primary government in Note III. I.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY PRINCIPLES

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

On or before the first City Council meeting in October, the Mayor submits to City Council a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by City Council to obtain taxpayer comments. The City generally adopts budgets for all funds except the custodial fund. All funds, including proprietary funds, use the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budgets. In addition, appropriations lapse at the end of the year and expenditures for on-going projects are appropriated in the following year.

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation ordinance. The Mayor may at any time transfer any unencumbered appropriation balance or portion thereof from one classification of expenditures to another within the same department, office or agency. The Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department, office or agency to another. City Council may amend the original adopted budget during the year by passing a new ordinance to reflect current needs. During 2020, the expenditure estimates were amended. These amendments were made in accordance with the City Charter.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS

A. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments are summarized as follows:

Cash on hand	\$ 33,511
Demand deposits	9,386,153
Restricted deposits (held by lender)	<u>2,916</u>
	<u>\$ 9,422,580</u>
Investments –	
U.S. agency securities	\$ 51,925,892
U.S. treasury securities	13,875,381
Corporate Bonds	17,110,540
Money market funds	16,113,667
Local government investment pools (ColoTrust and CSAFE)	<u>50,506,535</u>
	<u>\$ 149,532,015</u>

	<u>Cash and Cash</u> <u>Equivalents</u>	<u>Investments</u>
Reported in the financial statements as follows:		
Government-wide statement of net position	\$ 7,064,500	\$ 149,532,015
Statement of fiduciary net position	<u>2,358,080</u>	<u>-</u>
	<u>\$ 9,422,580</u>	<u>\$ 149,532,015</u>

DEPOSITS

At December 31, 2020, the carrying amount of the City's deposits was \$9,386,153 and the bank balance was \$13,987,238. Of the bank balance, \$861,069 was covered by federal depository insurance and \$13,126,169 was collateralized in single financial institution collateral pools maintained by the individual financial institutions that hold these deposits. Colorado law requires that depository institutions must apply for and be designated as an eligible public depository before the institution can accept public fund monies. The depository institution must pledge eligible collateral as security for all public deposits held by that institution that are not insured by depository insurance. The fair value of the collateral that each institution pledges as security must equal at least 102% of the total uninsured deposits held by that institution. Generally, the eligible collateral in the collateral pools is held by the depository institution or its agent in the name of the depository institution.

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for custodial credit risk parallels Colorado statutes as described above. As of December 31, 2020, deposits with a bank balance of \$13,126,169 are uninsured but are not exposed to custodial credit risk because they are collateralized with securities held by the pledging financial institution's agent in the City's name.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

A. CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

INVESTMENTS

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

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

At December 31, 2020, the City had the following investments and maturities:

Investment Type	Level 1	Level 2	Level 3	Total	Concentration	Investment Maturities (in years)	
						Less Than One Year	1 - 5 Years
U.S. agencies	\$ -	\$ 51,925,892	\$ -	\$ 51,925,892	34.7%	\$ 14,442,746	\$ 37,483,146
U.S. treasuries	-	13,875,381	-	13,875,381	9.3%	6,343,471	7,531,910
Corporate Bonds	-	17,110,540	-	17,110,540	11.4%	-	17,110,540
Money market funds	16,113,667	-	-	16,113,667	10.8%	16,113,667	-
	<u>\$ 16,113,667</u>	<u>\$ 82,911,813</u>	<u>\$ -</u>	<u>\$ 99,025,480</u>		<u>\$ 36,899,884</u>	<u>\$ 62,125,596</u>
<u>Investments measured at net asset value (NAV):</u>							
ColoTrust				83	0.0%		
<u>Investments measured at amortized cost:</u>							
CSAFE				<u>50,506,452</u>	33.8%		
				<u>\$ 149,532,015</u>			

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

A. CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

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

Credit risk – The City’s investment policy relative to investment choices provides that the City may invest in U.S. treasury and agency securities, commercial paper, bankers’ acceptances, local government investment pools, money market funds, repurchase agreements and corporate notes and bonds. As of December 31, 2020, the City’s investment in money market funds generally were rated AAAm by Standard and Poor’s. The City’s investment in U.S. agency securities includes bonds issued by Federal Farm Credit Banks, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Federal Agriculture Mortgage Corporations. At December 31, 2020, the City’s investment in these U.S. agency securities were generally rated Aaa by Moody’s and AA+ by Standard and Poor’s. The City’s investment in corporate bonds includes bonds issued by Alphabet Inc., Apple Inc., Berkshire Hathaway Inc., Bank of Montreal, JPMorgan Chase & CO, Coca-Cola CO, #3M CO, Toyota Motor Credit Corp, Wells Fargo & CO, Wyeth LLC, American Express CO, John Deere Capital Corp, International Business Machines Corp, and Charles Schwab Corp. At December 31, 2020, the City’s investment in these corporate bonds were rated between A1 and A3 by Moody’s and between A+ and BBB+ by Standard and Poor’s.

Investments noted above include \$50,506,535 of funds held in the ColoTrust investment pool and the C-Safe investment pool. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, ColoTrust Prime and ColoTrust Plus+. ColoTrust Prime invests only in U.S. Treasury and government agencies. ColoTrust Plus+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. The Trust is rated AAAm by Standard and Poor’s and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. C-Safe, an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. C-Safe is a highly liquid fund operating similarly to a money market fund and each share is equal in value to \$1. C-Safe measures all of its investments at amortized cost in accordance with GASB Statement No. 79, Certain External Investment Pools and Pool Participants. C-Safe invests primarily in U.S. Treasury, government agencies, primary dealer repurchase agreements, highly rated commercial paper, AAAm rated money market funds, highly rated corporate bonds, and Colorado depositories. The weighted average maturity of the portfolio shall not exceed 60 days and the weighted average life of the portfolio shall not exceed 120 days. C-Safe is rated AAAm by Standard and Poor’s and is measured at amortized cost.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

A. CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

DISCRETELY PRESENTED COMPONENT UNITS

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

	Pueblo Urban Renewal Authority
Cash on hand	\$ 5,669
Demand deposits	3,396,921
Total cash and cash equivalents	<u>\$ 3,402,590</u>
Money market funds held at bank trust departments	<u>\$ 3,989,783</u>
Reported in the financial statements as follows:	
Cash and cash equivalents	\$ 1,680,083
Restricted cash and cash equivalents	1,722,507
	<u>\$ 3,402,590</u>
Restricted investments	<u>\$ 3,989,783</u>

DEPOSITS

At December 31, 2020, the carrying amount of the Pueblo Urban Renewal Authority's (the Authority) deposits was \$3,396,921 and the bank balance was \$3,442,884. Of the bank balance, \$750,000 was covered by federal depository insurance and \$2,692,884 was collateralized in single financial institution collateral pools maintained by the individual financial institutions that hold the deposits. Colorado law requires that depository institutions must apply for and be designated as an eligible public depository before the institution can accept public monies. The depository institution must pledge eligible collateral as security for all public deposits held by that institution that are not insured by depository insurance. The fair value of the collateral that each institution pledges as security must equal at least 102% of the total uninsured deposits held by that institution. Generally, the eligible collateral in the collateral pools is held by the depository institution or its agent in the name of the depository institution.

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk. As of December 31, 2020, deposits with a bank balance of \$2,692,884 are uninsured but are not exposed to custodial credit risk because they are collateralized with securities held by the pledging financial institution's agent in the name of the Authority.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

A. CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

INVESTMENTS

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

As of December 31, 2020, the Authority had the following investments and maturities:

	Investment Maturity (in years)
	less than 1
Fair value	
Money market funds held at bank trust departments	<u>\$ 3,989,783</u> <u>\$ 3,989,783</u>

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

Credit risk – State law limits investments in money market funds to funds that are registered as an investment company; the fund investment policies must seek to maintain a constant price and no sales or bond fee can be added to the purchase or redemption price. The Authority has no investment policy that would further limit its investment choices. As of December 31, 2020, the Authority’s investment in money market funds is rated AAAm by Standard and Poor’s.

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

B. RECEIVABLES

Receivables at December 31, 2020, consist of the following:

	Governmental Activities			
	General Fund	Economic Development 1/2 Cent Tax Fund	HUD Grants Fund	Public Improvements Fund
Taxes –				
Property	\$ 15,458,454	\$ -	\$ -	\$ -
Sales and use	5,862,865	1,112,307	-	-
Franchise	735,638	-	-	-
Notes and loans	650,000	69,041,075	4,287,114	-
Accounts	1,730,346	(3,750)	-	-
Interest	67,518	119	-	-
Other	515,576	78,905	299,959	-
	25,020,397	70,228,656	4,587,073	-
Less: allowance for uncollectible accounts	(690,935)	(9,500,074)	-	-
	<u>\$ 24,329,462</u>	<u>\$ 60,728,582</u>	<u>\$ 4,587,073</u>	<u>\$ -</u>

Amounts not scheduled for collection during
the subsequent year

<u>\$ 650,000</u>	<u>\$ 55,803,198</u>	<u>\$ 1,814,828</u>	<u>\$ -</u>
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	Governmental Activities		
	Total Nonmajor Funds	Internal Service Fund	Total
Taxes –			
Property	\$ 60,961	\$ -	\$ 15,519,415
Sales and use	-	-	6,975,172
Franchise	-	-	735,638
Notes and loans	-	-	73,978,189
Accounts	-	98,734	1,825,330
Interest	-	-	67,637
Other	945,284	-	1,839,724
	1,006,245	98,734	100,941,105
Less: allowance for uncollectible accounts	-	-	(10,191,009)
	<u>\$ 1,006,245</u>	<u>\$ 98,734</u>	<u>\$ 90,750,096</u>

Amounts not scheduled for collection during
the subsequent year

<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,268,026</u>
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Included in accounts receivable is \$14,485,511 of receivables that are due from the Authority under agreements between the City and the Authority.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

B. RECEIVABLES, Continued

	Business-Type Activities					Total
	Golf Enterprise	Sewer User	Stormwater Utility	Memorial Airport	Other Enterprise Funds	
Accounts	\$ 67,127	\$ 4,692,330	\$ 868,293	\$ 1,277,615	\$ 682,852	\$ 7,588,217
Interest	-	94,475	34,924	857	-	130,256
	67,127	4,786,805	903,217	1,278,472	682,852	7,718,473
Less: allowance for uncollectible accounts	-	-	-	(277,092)	-	(277,092)
	<u>\$ 67,127</u>	<u>\$ 4,786,805</u>	<u>\$ 903,217</u>	<u>\$ 1,001,380</u>	<u>\$ 682,852</u>	<u>\$ 7,441,381</u>

DISCRETELY PRESENTED COMPONENT UNITS

Receivables at December 31, 2020, are summarized as follows:

	Total Pueblo		
	Governmental Activities	Business-type Activities	Urban Renewal Authority
Accounts	\$ 113,130	\$ -	\$ 113,130
Notes	14,373	25,561	39,934
Vendors fee	436,807	-	436,807
Property taxes	5,197,764	-	5,197,764
	<u>\$ 5,762,074</u>	<u>\$ 25,561</u>	<u>\$ 5,787,635</u>

	Governmental Activities				
	General Fund	Regional Tourism	Expanded Downtown District	St. Charles District	Lake Minnequa District
Accounts	\$ 26,854	\$ -	\$ 86,276	\$ -	\$ -
Notes	14,373	-	-	-	-
Vendors Fee	-	-	-	-	-
Property taxes	6,750	-	726,087	2,856,984	789,043
	<u>\$ 47,977</u>	<u>\$ -</u>	<u>\$ 812,363</u>	<u>\$ 2,856,984</u>	<u>\$ 789,043</u>

	Governmental Activities			
	North Pueblo	Memorial Hall	Other Governmental	Total
Accounts	\$ -	\$ -	\$ -	\$ 113,130
Notes	-	-	-	14,373
Vendors Fee	-	436,807	-	436,807
Property taxes	708,933	-	109,967	5,197,764
	<u>\$ 708,933</u>	<u>\$ 436,807</u>	<u>\$ 109,967</u>	<u>\$ 5,762,074</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

C. INTERFUND RECEIVABLES/PAYABLES/TRANSFERS

The following interfund receivables and payables are included in the fund financial statements at December 31, 2020:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental Funds -		
General fund	\$ 15,350,659	\$ 23,678,015
Economic development 1/2 cent tax	2,147,107	-
HUD grants	1,389,110	487,793
Public improvements funds	6,381,869	84,326
Nonmajor governmental	4,215,453	498
Total governmental funds	<u>29,484,198</u>	<u>24,250,632</u>
Enterprise Funds -		
Golf enterprise	305,801	1,108,528
Sewer user	47,363	-
Storm water utility	52,916	7,100,126
Memorial airport	725,842	294,265
Nonmajor enterprise funds	3,411,438	6,249,541
Total enterprise funds	<u>4,543,360</u>	<u>14,752,460</u>
Internal service fund	<u>5,001,116</u>	<u>25,582</u>
	<u>\$ 39,028,674</u>	<u>\$ 39,028,674</u>

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

C. INTERFUND RECEIVABLES/PAYABLES/TRANSFERS, Continued

The following table summarizes advances to/from other funds at December 31, 2020:

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
Major governmental funds -		
Advance due general fund from Walking Stick golf course major enterprise fund	\$ 1,623,563	\$ -
Advance due public improvement fund from honor farm nonmajor enterprise fund	747,000	-
Major enterprise funds -		
Advance due to general fund from Walking Stick golf course	-	1,623,563
Nonmajor enterprise fund -		
Advance due to public improvement fund from honor farm fund	-	747,000
	<u>\$ 2,370,563</u>	<u>\$ 2,370,563</u>

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

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

C. INTERFUND RECEIVABLES/PAYABLES/TRANSFERS, Continued

Transfers for the year ended December 31, 2020, are as follows:

	Transfers in	Transfers out
Governmental Funds -		
General fund	\$ 3,610,319	\$ 12,536,268
Economic development 1/2 cent tax	2,119,390	1,011,000
HUD grants	8,000	141,325
Public improvements funds	6,266,588	2,219,390
Nonmajor governmental	4,268,191	3,546,741
Total governmental funds	<u>16,272,488</u>	<u>19,454,724</u>
Enterprise Funds -		
Stormwater utility	40,180	12,000
Memorial airport	348,801	40,180
Other enterprise funds	1,896,648	-
Total enterprise funds	<u>2,285,629</u>	<u>52,180</u>
Internal service fund	<u>1,100,000</u>	<u>151,213</u>
	<u>\$ 19,658,117</u>	<u>\$ 19,658,117</u>

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

D. DUE FROM OTHER GOVERNMENTAL AGENCIES

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

E. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2020, was as follows:

	Balance January 1, 2020	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2020
Governmental activities -				
Nondepreciable assets -				
Land	\$ 17,654,132	\$ 2,189,828	\$ (244,734)	\$ 19,599,226
Land - infrastructure	78,115,934	219,264	-	78,335,198
Art works	1,172,157	619,421	-	1,791,578
Intangibles	1,229,634	42,611	-	1,272,245
Construction in progress	4,150,094	2,302,722	(3,908,010)	2,544,806
Total capital assets not being depreciated	<u>102,321,951</u>	<u>5,373,846</u>	<u>(4,152,744)</u>	<u>103,543,053</u>
Depreciable assets -				
Land improvements	51,983,667	2,540,472	-	54,524,139
Infrastructure	193,924,291	1,714,432	(119,791)	195,518,932
Buildings	72,590,468	7,434,185	(113,723)	79,910,930
Machinery and equipment	47,152,518	5,278,668	(1,056,763)	51,374,423
Total capital assets being depreciated	<u>365,650,944</u>	<u>16,967,757</u>	<u>(1,290,277)</u>	<u>381,328,424</u>
Less: accumulated depreciation for -				
Land improvements	(12,980,146)	(632,236)	-	(13,612,382)
Infrastructure	(59,048,851)	(2,050,891)	113,520	(60,986,222)
Buildings	(19,908,088)	(1,648,080)	85,923	(21,470,245)
Machinery and equipment	(35,882,642)	(3,353,198)	1,021,120	(38,214,720)
Total accumulated depreciation	<u>(127,819,727)</u>	<u>(7,684,405)</u>	<u>1,220,563</u>	<u>(134,283,569)</u>
Capital assets being depreciated, net	<u>237,831,217</u>	<u>9,283,352</u>	<u>(69,714)</u>	<u>247,044,855</u>
Total governmental activities capital assets, net	<u>\$ 340,153,168</u>	<u>\$ 14,657,198</u>	<u>\$ (4,222,458)</u>	<u>350,587,908</u>
			Plus deferred amount of refunding	582,062
			Less outstanding certificates of participation	(9,066,703)
			Less outstanding capital leases	(2,725,413)
			Net investment in capital assets	<u>\$ 339,377,854</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

E. CAPITAL ASSETS, Continued

	Balance January 1, 2020	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2020
Business-type activities -				
Nondepreciable assets -				
Land	\$ 4,400,281	\$ 10,577	\$ -	\$ 4,410,858
Art works	57,105	-	-	57,105
Intangibles	57,388	-	-	57,388
Construction in progress	8,479,243	4,767,842	-	13,247,085
Total capital assets not being depreciated	<u>12,994,017</u>	<u>4,778,419</u>	<u>-</u>	<u>17,772,436</u>
Depreciable assets -				
Land improvements	58,837,259	-	-	58,837,259
Infrastructure	105,091,657	287,646	-	105,379,303
Buildings	83,439,997	75,090	-	83,515,087
Machinery and equipment	22,711,737	1,005,175	(492,058)	23,224,854
Other improvements	26,398,937	-	-	26,398,937
Total capital assets being depreciated	<u>296,479,587</u>	<u>1,367,911</u>	<u>(492,058)</u>	<u>297,355,440</u>
Less: accumulated depreciation for -				
Land improvements	(14,674,431)	(1,484,310)	-	(16,158,741)
Infrastructure	(26,291,293)	(1,047,834)	-	(27,339,127)
Buildings	(19,438,505)	(1,745,416)	-	(21,183,921)
Machinery and equipment	(17,454,592)	(1,293,165)	491,362	(18,256,395)
Other improvements	(24,647,791)	(108,779)	-	(24,756,570)
Total accumulated depreciation	<u>(102,506,612)</u>	<u>(5,679,504)</u>	<u>491,362</u>	<u>(107,694,754)</u>
Capital assets being depreciated, net	<u>193,972,975</u>	<u>(4,311,593)</u>	<u>(696)</u>	<u>189,660,686</u>
Total business-type activities capital assets, net	<u>\$ 206,966,992</u>	<u>\$ 466,826</u>	<u>\$ (696)</u>	<u>\$ 207,433,122</u>
		Plus unspent debt proceeds		6,557,560
		Less outstanding notes payable		(878,572)
		Less outstanding capital leases		<u>(26,066,940)</u>
		Net investment in capital assets		<u>\$ 187,045,170</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

E. CAPITAL ASSETS, Continued

	Balance January 1, 2020	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2020
Pueblo Urban Renewal Authority discretely-presented component unit				
Nondepreciable assets -				
Land	\$ 1,244,529	\$ 35,117	\$ -	\$ 1,279,646
Construction in progress	-	-	-	-
Memorial	295,097	-	-	295,097
Total capital assets not being depreciated	<u>1,539,626</u>	<u>35,117</u>	<u>-</u>	<u>1,574,743</u>
Depreciable assets -				
Buildings	51,285,466	193,440	-	51,478,906
Machinery and equipment	2,048,195	-	-	2,048,195
Other improvements	2,271,794	22,294	-	2,294,088
Total capital assets being depreciated	<u>55,605,455</u>	<u>215,734</u>	<u>-</u>	<u>55,821,189</u>
Less: accumulated depreciation for -				
Buildings	(5,600,092)	(1,350,187)	-	(6,950,279)
Machinery and equipment	(1,079,721)	(141,155)	-	(1,220,876)
Other improvements	(1,134,967)	(116,167)	-	(1,251,134)
Total accumulated depreciation	<u>(7,814,780)</u>	<u>(1,607,509)</u>	<u>-</u>	<u>(9,422,289)</u>
Capital assets being depreciated, net	<u>47,790,675</u>	<u>(1,391,775)</u>	<u>-</u>	<u>46,398,900</u>
Total Pueblo Urban Renewal Authority capital assets, net	<u>\$ 49,330,301</u>	<u>\$ (1,356,658)</u>	<u>\$ -</u>	<u>\$ 47,973,643</u>
				1,407,925
				(33,491,200)
				37,654
				<u>\$ 15,928,022</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

E. CAPITAL ASSETS, Continued

	Balance January 1, 2020	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2020
Pueblo Municipal Rail Corporation discretely-presented component unit				
Nondepreciable assets -				
Land	\$ 529,620	\$ -	\$ -	\$ 529,620
Total capital assets not being depreciated	529,620	-	-	529,620
Depreciable assets -				
Infrastructure	3,071,960	-	-	3,071,960
Total capital assets being depreciated	3,071,960	-	-	3,071,960
Less: accumulated depreciation for -				
Infrastructure	(203,040)	(30,720)	-	(233,760)
Total accumulated depreciation	(203,040)	(30,720)	-	(233,760)
Capital assets being depreciated, net	2,868,920	(30,720)	-	2,838,200
Total Pueblo Municipal Rail Corporations capital assets, net	<u>\$ 3,398,540</u>	<u>\$ (30,720)</u>	<u>\$ -</u>	<u>\$ 3,367,820</u>
			Less outstanding debt obligations	(2,187,537)
			Net investment in capital assets	<u>\$ 1,180,283</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities -	
General government	\$ 803,368
Public safety	3,089,219
Public works	2,302,896
Culture and community welfare	530,746
Parks and recreation	840,399
Economic development	117,777
Total depreciation expenses - governmental activities	<u>\$ 7,684,405</u>
Business-type activities -	
Golf course enterprise fund	\$ 422,266
Sewer user	1,895,743
Stormwater utility	887,844
Memorial airport	1,727,288
Other enterprise funds	746,358
Total depreciation expense - business-type activities	<u>\$ 5,679,499</u>
Discretely-presented component units -	
Pueblo Urban Renewal Authority	\$ 1,607,509
Pueblo Municipal Rail Corporation	30,720
Total depreciation expense - discretely-presented component units	<u>\$ 1,638,229</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

E. CAPITAL ASSETS, Continued

At December 31, 2020, the City had in progress various construction projects for both governmental activities and business-type activities. Costs to date and total estimated costs are summarized below:

	Costs to December 31, 2020	Total Estimated Costs
Governmental activities -		
Parks and recreation projects	\$ 885,733	\$ 6,395,263
Public works projects	558,317	2,896,993
Culture projects	945,542	1,872,516
Other projects	155,214	780,870
	<u>\$ 2,544,806</u>	<u>\$ 11,945,642</u>
Business-type activities -		
Sewer User	\$ 8,437,318	\$ 8,770,026
Stormwater Utility	101,243	2,595,923
Memorial Airport	4,708,524	5,724,876
	<u>\$ 13,247,085</u>	<u>\$ 17,090,825</u>

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

Deferred inflows of resources (non-pension related) at December 31, 2020, are summarized as follows:

	Governmental Activities					
	Economic Development		Public Improvements	Other Governmental		
	General Fund	1/2 Cent Tax	HUD Grants	Fund	Funds	Total
Property taxes	\$ 15,438,419	\$ -	\$ -	\$ -	\$ 60,961	\$ 15,499,380
Notes and loans	-	-	145,632	-	-	145,632
Other receivables	2,066,708	144,583	299,260	4,171,278	-	6,681,829
Other unavailable revenue	<u>515,576</u>	<u>-</u>	<u>629,438</u>	<u>942,590</u>	<u>1,021,460</u>	<u>3,109,064</u>
	18,020,703	144,583	1,074,330	5,113,868	1,082,421	25,435,905
Less: amounts recognized as revenue in government-wide statements	<u>(2,266,688)</u>	<u>(144,583)</u>	<u>(928,698)</u>	<u>(4,556,478)</u>	<u>(1,021,460)</u>	<u>(8,917,907)</u>
	<u>\$ 15,754,015</u>	<u>\$ -</u>	<u>\$ 145,632</u>	<u>\$ 557,390</u>	<u>\$ 60,961</u>	<u>\$ 16,517,998</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

	Pueblo Urban Renewal Authority
Property taxes	\$ 5,197,746
Less: amounts recognized as revenue in government-wide statements	-
	<u>\$ 5,197,746</u>

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

G. PENSIONS

Public Employees Retirement Association (PERA)

General Information about the Pension Plan

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

Benefits provided as of December 31, 2019. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S § 24-51-602, 604, 1713, and 1714.

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

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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

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

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Pursuant to SB 18-200, the annual increase for 2019 was 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007, will receive the lesser of an annual increase of 1.5 percent or the average Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

Contributions provisions as of December 31, 2020. Eligible employees, the City of Pueblo, and PURA are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R. S. § 24-51-401, *et seq* and § 24-51-513. Employee contribution rates for the period of January 1, 2019 through December 31, 2020 are summarized on the table below:

	01/01/2019 through <u>12/31/2019</u>	01/01/2020 through <u>06/30/2020</u>	07/01/2020 through <u>12/31/2020</u>
Employee contribution rate	8.00%	8.00%	8.50%

Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

The employer contribution requirements for all employees are summarized in the table below:

	01/01/2019 through <u>06/30/2020</u>	07/01/2020 through <u>12/31/2020</u>
Employer contribution rate	10.00%	10.50%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	<u>-1.02%</u>	<u>-1.02%</u>
Amount apportioned to the LGDTF	8.98%	9.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	<u>1.50%</u>	<u>1.50%</u>
Total Employer contribution rate to the LGDTF	<u>12.68%</u>	<u>13.18%</u>

Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and The City of Pueblo and PURA are statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City of Pueblo and PURA were \$2,915,378 and \$60,907, respectively, for the year ended December 31, 2020.

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

At December 31, 2020, the City of Pueblo and PURA reported a liability of \$23,638,557 and \$430,277 respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll forward the total pension liability to December 31, 2019. The City of Pueblo's and PURA's proportion of the net pension liability was based on the City of Pueblo's and PURA's contributions to the LGDTF for the calendar year 2019 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2019, the City of Pueblo's and PURA's proportion was 3.291 percent, which was a decrease of 0.034 percent from its proportion measured as of December 31, 2018.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

For the year ended December 31, 2020, the City of Pueblo and PURA recognized pension expense of \$1,075,386 and \$56,839, respectively. At December 31, 2020, the City of Pueblo and PURA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Primary Government-City of Pueblo</u>		
Difference between expected and actual experience	\$ 1,546,868	\$ -
Net difference between projected and actual earnings on pension plans investments	-	9,670,855
Changes in proportionate share	95,195	240,057
Differences between contributions recognized and proportionate share of contributions	39,670	-
Contributions subsequent to the measurement date	2,915,378	-
City of Pueblo Total	<u>4,597,111</u>	<u>9,910,912</u>
<u>Discretely Presented Component Unit-PURA</u>		
Difference between expected and actual experience	28,157	-
Net difference between projected and actual earnings on pension plans investments	-	176,032
Changes in proportionate share	37,843	
Differences between contributions recognized and proportionate share of contributions	563	-
Contributions subsequent to the measurement date	60,907	-
PURA Total	<u>127,470</u>	<u>176,032</u>
Total	<u>\$ 4,724,581</u>	<u>\$ 10,086,944</u>

\$2,915,378 and 60,907 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, 2021. 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	<u>City of Pueblo</u>	<u>PURA</u>
2021	\$ (1,700,320)	\$ 172
2022	(2,814,941)	(42,094)
2023	(411,207)	(7,485)
2024	(3,299,711)	(60,062)
	<u>\$ (8,226,179)</u>	<u>\$ (109,469)</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

Actuarial assumptions. The December 31, 2018, actuarial valuation used the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 10.45 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	1.25 percent compounded annually
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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

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

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

The actuarial assumptions used in the December 31, 2018, 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 the PERA Board during the November 18, 2016, Board meeting.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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 Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	<u>100.00%</u>	

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 percent.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. 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 for each year, including the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1 % Increase (8.25%)
Proportionate share of the net pension liability - City of Pueblo	\$ 43,422,276	\$ 23,638,557	\$ 7,000,641
Proportionate share of the net pension liability - PURA	\$ 790,387	\$ 430,277	\$ 127,428

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

New Hire Fire and Police Association (FPPA)

General Information about the Pension Plan

Plan description. The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

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

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

Contributions. Through December 31, 2020, contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contributions rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will remain at 8 percent in 2019 and 2020. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2019, members of the SWDB plan and their employers are contributing at the rate of 10.5 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 18.5 percent.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 22.5 percent and 23.0 percent of pensionable earnings in 2019 and 2020, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.25 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.25 percent in 2019 and 9.50 percent in 2020. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4 percent in 2019 and 2020. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Contributions to the pension plan from the City of Pueblo were \$2,036,305 for the year ended December 31, 2020.

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

At December 31, 2020, the City of Pueblo reported an asset of \$1,891,810 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020. The City of Pueblo's proportion of the net pension asset was based on the City of Pueblo's contributions to the SWDB for the calendar year 2019 relative to the total contributions of participating employers to the SWDB.

At December 31, 2019, the City of Pueblo's proportion was 3.345 percent, which was a decrease of 0.119 percent from its proportion measured as of December 31, 2018.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

For the year ended December 31, 2020, the City of Pueblo recognized pension expense of \$1,876,169. At December 31, 2020, the City of Pueblo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,402,231	\$ 37,031
Net difference between projected and actual earnings on pension plan investments	-	2,973,971
Changes in assumptions	3,592,145	-
Changes in proportionate share	1,213,624	-
Differences between contributions recognized and proportionate share of contributions	127,954	-
Contributions subsequent to the measurement date	2,036,305	
Total	<u>\$ 13,372,259</u>	<u>\$ 3,011,002</u>

\$2,036,305 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, 2021. 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	
2021	\$ 861,092
2022	603,539
2023	1,571,033
2024	316,120
2025	1,580,122
Thereafter	3,393,046
Total	<u>\$ 8,324,952</u>

Actuarial assumptions. The actuarial valuations for the SWDB were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2019. The valuations used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 years
Long-term Investment Rate of Return *	7.00 percent
Projected Salary Increases *	4.25 – 11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
* Includes inflation at	2.5 percent

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projections scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchase of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment 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 (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	38.0%	7.00%
Equity Long/Short	8.0%	6.00%
Private Markets	25.0%	9.20%
Fixed Income	15.0%	5.20%
Absolute Return	8.0%	5.50%
Managed Futures	4.0%	5.00%
Cash	2.0%	2.52%
Total	<u>100.0%</u>	

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.75% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Sensitivity of the City of Pueblo's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00%, 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:

	Rate		
	1% Decrease (6.00%)	Assumption (7.00%)	1 % Increase (8.00%)
Proportionate share of the net pension liability (asset)	\$ 11,470,450	\$ (1,891,810)	\$ (12,974,035)

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

Payable to the pension plan

At December 31, 2020, the City reported a payable of \$97,957 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2020.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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

General Information about the Pension Plan

Plan description. The Fire & Police Pension Association administers an agent multiple-employer Public Employee Retirement System. The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPS issues a publicly available comprehensive annual financial report that can be obtained at FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

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

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

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

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

Employees covered by benefit terms. At December 31, 2020, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	102
Inactive, Nonretired Members	0
Active Members	0
Total	<u>102</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

Contributions. Members of this fund are currently contributing at the rate of 10% of base salary. For the year ended December 31, 2020, there were no active members in the plan. The City's actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2018, determines the contribution amounts for 2019 and 2020. Contributions to the pension plan from the City of Pueblo were \$1,278,836 for the year ended December 31, 2020.

Net Pension Liability

The City of Pueblo's net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020.

Actuarial assumptions. The total pension liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	16 years *
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50 percent
Salary Increases	N/A
Investment Rate of Return	7.50 percent
Retirement Age	Any remaining actives are assumed to retire immediately

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

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

The assumptions shown above pertain to the actuarial valuation as of January 1, 2018 and the associated Actuarially Determined Contribution for the year ending December 31, 2019. Following an experience study in 2018 and asset allocation study in 2018-2019, the Board adopted a new assumption set for first use in the January 1, 2020 valuations.

The primary changes, which can be observed in the January 1, 2020 valuation, as compared to the assumptions shown are as follows:

- Investment Rate of Return 6.50 percent
- Mortality: Post Retirement 2006 central rates from the RP-2014
Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projections scales, and then projected prospectively using the ultimate rates of the scale for all years.
- Mortality: Disabled (pre-1980) Post retirement rates set forward three years

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Geometric Real Rate of Return</u>
Cash	5.0%	3.2%
Fixed Income	40.5%	5.0%
Managed Futures	0.00%	4.7%
Absolute Return	6.0%	5.0%
Equity Long/Short	6.0%	6.5%
Global Equity	17.5%	7.7%
Private Markets	25.0%	9.5%
Total	<u>100.00%</u>	

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 2.75% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 6.50%.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Plan Fiduciary		
	Total Pension Liability (a)	Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2019	\$ 60,108,283	\$ 46,042,114	\$ 14,066,169
Changes for the year:			
Service cost	-	-	-
Interest	4,307,152	-	4,307,152
Differences between expected and actual experience	(2,156,977)	-	(2,156,977)
Changes in assumptions	4,081,386	-	4,081,386
Contributions - employer	-	1,303,218	(1,303,218)
Contributions - employee	-	-	-
Net investment income	-	5,627,261	(5,627,261)
Benefit payments	(5,457,839)	(5,457,839)	-
Administrative expense	-	(23,292)	23,292
Net changes	773,722	1,449,348	(675,626)
Balances at 12/31/2020	\$ 60,882,005	\$ 47,491,462	\$ 13,390,543

Sensitivity of the City of Pueblo's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.50%, 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:

	Single Discount Rate		
	1% Decrease (5.50%)	Assumption (6.50%)	1 % Increase (7.50%)
City's net pension liability	\$ 18,610,247	\$ 13,390,543	\$ 8,856,793

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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

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

For the year ended December 31, 2020, the City of Pueblo recognized pension expense of \$3,298,811. At December 31, 2020, the City of Pueblo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 2,334,470	\$ 3,164,078
Contributions subsequent to the measurement date	1,278,836	-
Total	<u>\$ 3,613,306</u>	<u>\$ 3,164,078</u>

\$1,278,836 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, 2021. 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	
2021	\$ (200,276)
2022	(407,302)
2023	243,560
2024	<u>(465,590)</u>
	<u>\$ (829,608)</u>

Payable to the pension plan

At December 31, 2020, the City reported a payable of \$106,570 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2020.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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

General Information about the Pension Plan

Plan description. The Fire & Police Pension Association administers an agent multiple-employer Public Employee Retirement System. The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPS issues a publicly available comprehensive annual financial report that can be obtained at FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

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

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

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

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

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

Employees covered by benefit terms. At December 31, 2020, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	116
Inactive, Nonretired Members	0
Active Members	0
Total	<u>116</u>

Contributions. Members of this fund are currently contributing at the rate of 8% of base salary. For the year ended December 31, 2020, there were no active members in the plan. The City's actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2018, determines the contribution amounts for 2019 and 2020. Contributions to the pension plan from the City of Pueblo were \$1,519,685 for the year ended December 31, 2020.

Net Pension Liability

The City of Pueblo's net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020.

Actuarial assumptions. The total pension liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	16 years *
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50 percent
Salary Increases	N/A
Investment Rate of Return	7.50 percent
Retirement Age	Any remaining actives are assumed to retire immediately

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

Mortality: Post-retirement

For ages less than 55, RP-2014
Mortality Tables for Blue Collar Employees. For
ages 65 and older, RP-2014 Mortality Tables for
Blue Collar Healthy Annuitants. For 55 through 64,
a blend of the previous tables. All tables are
projected with Scale BB.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

Mortality: Disabled (pre-1980)

RP-2014 Disabled Generational

Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

The assumptions shown above pertain to the actuarial valuation as of January 1, 2018 and the associated Actuarially Determined Contribution for the year ending December 31, 2019. Following an experience study in 2018 and asset allocation study in 2018-2019, the Board adopted a new assumption set for first use in the January 1, 2020 valuations.

The primary changes, which can be observed in the January 1, 2020 valuation, as compared to the assumptions shown are as follows:

- Investment Rate of Return 6.50 percent

- Mortality: Post Retirement 2006 central rates from the RP-2014
Annuitant Mortality Tables for males and females
projected to 2018 using the MP-2017 projections
scales, and then projected prospectively using the
ultimate rates of the scale for all years.

- Mortality: Disabled (pre-1980) Post retirement rates set forward three years

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.0%	3.2%
Fixed Income	40.5%	5.0%
Managed Futures	0.0%	4.7%
Absolute Return	6.0%	5.0%
Equity Long/Short	6.0%	6.5%
Global Equity	17.5%	7.7%
Private Markets	25.0%	9.5%
Total	<u>100.00%</u>	

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 2.75% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 6.50%.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Plan Fiduciary		
	Total Pension	Net Position	Net Pension
	Liability (a)	(b)	Liability (a) - (b)
Balances at 12/31/2019	\$ 45,509,711	\$ 32,014,488	\$ 13,495,223
Changes for the year:			
Service cost	-	-	-
Interest	3,243,485	-	3,243,485
Differences between expected and actual experience	932,801	-	932,801
Changes in assumptions	3,079,317	-	3,079,317
Contributions - employer	-	1,523,538	(1,523,538)
Contributions - employee	-	-	-
Net investment income	-	3,900,787	(3,900,787)
Benefit payments	(4,609,831)	(4,609,831)	-
Administrative expense	-	(26,002)	26,002
Net changes	2,645,772	788,492	1,857,280
Balances at 12/31/2020	\$ 48,155,483	\$ 32,802,980	\$ 15,352,503

Sensitivity of the City of Pueblo's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.50%, 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:

	Single Discount Rate		
	1% Decrease	Assumption	1 % Increase
	(5.50%)	(6.50%)	(7.50%)
City's net pension liability	\$ 19,260,037	\$ 15,352,503	\$ 11,940,184

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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

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

For the year ended December 31, 2020, the City of Pueblo recognized pension expense of \$5,253,073. At December 31, 2020, the City of Pueblo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,628,977	\$ 2,204,880
Contributions subsequent to the measurement date	1,519,685	-
Total	<u>\$ 3,148,662</u>	<u>\$ 2,204,880</u>

\$1,519,685 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, 2021. 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	
2021	\$ (139,219)
2022	(285,270)
2023	171,448
2024	<u>(322,862)</u>
	<u>\$ (575,903)</u>

Payable to the pension plan

At December 31, 2020, the City reported a payable of \$126,640 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2020.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

SUMMARY OF ALL PENSION PLANS

	Net Pension <u>Liability</u>	Net Pension <u>Assets</u>	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>	Pension <u>Expense</u>
Primary Government-City of Pueblo					
PERA	\$ 23,638,557	\$ -	\$ 4,597,111	\$ 9,910,912	\$ 1,075,386
FPPA New Hire Fire and Police	-	1,891,810	13,372,259	3,011,002	1,876,169
FPPA Old Hire Fire	15,352,503	-	3,148,662	2,204,880	5,253,073
FPPA Old Hire Police	<u>13,390,543</u>	<u>-</u>	<u>3,613,306</u>	<u>3,164,078</u>	<u>3,298,811</u>
City of Pueblo Total	<u>52,381,603</u>	<u>1,891,810</u>	<u>24,731,338</u>	<u>18,290,872</u>	<u>11,503,439</u>
Discretely Presented Component Unit-PURA					
PERA	<u>430,277</u>	<u>-</u>	<u>127,470</u>	<u>176,032</u>	<u>56,839</u>
PURA Total	<u>430,277</u>	<u>-</u>	<u>127,470</u>	<u>176,032</u>	<u>56,839</u>
Total	<u>\$ 52,811,880</u>	<u>\$ 1,891,810</u>	<u>\$ 24,858,808</u>	<u>\$ 18,466,904</u>	<u>\$ 11,560,278</u>

\$7,750,204 and \$60,907 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, 2021. 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	<u>City of Pueblo</u>	<u>PURA</u>
2021	\$ (1,178,723)	\$ 172
2022	(2,906,974)	(42,094)
2023	1,574,834	(7,485)
2024	(3,772,043)	(60,062)
2025	1,580,122	-
Thereafter	<u>3,393,046</u>	<u>-</u>
Total	<u>\$ (1,309,738)</u>	<u>\$ (109,469)</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Public Employees Retirement Association (PERA)

General Information about the OPEB Plan

Plan description. Eligible employees of the Primary Government (City of Pueblo) and its Discretely Presented Component Unit (Pueblo Urban Renewal Authority (PURA)) are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, 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 the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 (actual dollars) per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 (actual dollars) per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City of Pueblo and PURA is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City of Pueblo and PURA were \$228.059 and \$4.798, respectively, for the year ended December 31, 2020.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

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

At December 31, 2020, the City of Pueblo and PURA reported a liability of \$2,776,275 and \$50,647, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019.

At December 31, 2019, the City of Pueblo and PURA's proportion was 0.252 percent, which was a decrease of 0.006 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City of Pueblo and PURA recognized OPEB expense of \$183,269 and \$4,684, respectively. At December 31, 2020, the City of Pueblo and PURA 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
<u>Primary Government - City of Pueblo</u>		
Difference between expected and actual experience	\$ 9,213	\$ 466,516
Net difference between projected and actual earnings on OPEB plan investments	-	46,340
Changes in assumptions	23,033	-
Changes in proportionate share	87,019	78,512
Differences between contributions recognized and proportionate share of contributions	-	1,147
Contributions subsequent to the measurement date	228,059	-
City of Pueblo Total	<u>347,324</u>	<u>592,515</u>
<u>Discretely Presented Component Unit - PURA</u>		
Difference between expected and actual experience	168	8,510
Net difference between projected and actual earnings on OPEB plan investments	-	846
Changes in assumptions	420	-
Changes in proportionate share	6,659	-
Differences between contributions recognized and proportionate share of contributions	-	26
Contributions subsequent to the measurement date	4,798	-
PURA Total	<u>12,045</u>	<u>9,382</u>
Total	<u>\$ 359,369</u>	<u>\$ 601,897</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

\$228,059 and \$4,798 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended	<u>City of Pueblo</u>	<u>PURA</u>
2021	\$ (88,965)	\$ (260)
2022	(88,960)	(511)
2023	(75,543)	(266)
2024	(107,768)	(582)
2025	(105,650)	(488)
Thereafter	(6,364)	(28)
	<u>\$ (473,250)</u>	<u>\$ (2,135)</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
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment Rate of Return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.60 percent in 2019, gradually Decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent for 2019, gradually increasing to 4.50 in 2029

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2018, valuations 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 the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

<u>Medicare Plan</u>	<u>Cost for Members Without Medicare Part A</u>	<u>Premiums for Members Without Medicare Part A</u>
Medicare Advantage/Self-Insured Prescription	\$601	\$240
Kaiser Permanente Medicare Advantage HMO	\$605	\$237

The 2019 Medicare Part A premium was \$437 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

<u>Medicare Plan</u>	<u>Cost for Members Without Medicare Part A</u>
Medicare Advantage/Self-Insured Prescription	\$562
Kaiser Permanente Medicare Advantage HMO	\$571

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions for the determination of the total OPEB liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following health care cost assumptions were updated, and used in, the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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 HCTF, 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 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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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 Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	<u>100.00%</u>	

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 percent.

Sensitivity of the City of Pueblo proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1 % Increase in Trend Rates</u>
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of the net OPEB liability - City of Pueblo	<u>\$ 2,710,326</u>	<u>\$ 2,776,275</u>	<u>\$ 2,852,484</u>
Proportionate share of the net OPEB liability - PURA	<u>\$ 49,444</u>	<u>\$ 50,647</u>	<u>\$ 52,037</u>

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, measurement date.
- 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%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- 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.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the City of Pueblo proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1 % Increase (8.25%)
Proportionate share of the net OPEB liability - City of Pueblo	\$ 3,139,138	\$ 2,776,275	\$ 2,465,952
Proportionate share of the net OPEB liability - PURA	\$ 57,266	\$ 50,647	\$ 44,986

OPEB plan fiduciary net position. Detailed information about the HCTF'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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

POLICE UNIT

General Information about the OPEB Plan

Plan description. The plan allows eligible participants to enroll in postretirement medical and dental plans but does not provide any explicit subsidy.

Eligibility. Active members are eligible for normal retirement with at least 55 years of age and 25 years of service. Active members may retire early if they are age 50 and have 30 years of service. Active members who become disabled may meet criteria for disability retirement eligibility prior to normal retirement. Any person employed by the City of Pueblo Police Unit on a permanent, full-time basis are included.

Plan Membership. At December 31, 2020, the following employees were covered by the benefit terms:

Active Members	208
Retirees, Surviving Spouses, and Covered Spouses	<u>7</u>
Total	<u>215</u>

Benefits provided. The City of Pueblo allows eligible participants to enroll in medical and dental plans upon retirement. The premiums for these plans are paid entirely by the plan participants. Thus, the City is only responsible for the implicit subsidy.

The implicit subsidy can be defined as the difference between the true cost of healthcare coverage and the insurance premiums charged for retirees and older workers. Healthcare utilization and costs increase with age, yet when insurance premiums are set, they are often established as singular amounts without regard to age. A portion of the singular premium paid by younger workers subsidizes the higher costs for retirees and older workers. This subsidy is reallocated to the OPEB plan when determining the true costs under GASB 75.

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

The plan operates on a pay-as-you-go basis and thus, has no assets. At December 31, 2020, the City of Pueblo reported a net OPEB liability of \$7,362,289. The net OPEB liability for the Police Unit was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

For the year ended December 31, 2020, the City of Pueblo recognized OPEB expense of \$763,864. At December 31, 2020, the City of Pueblo 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	\$ -	\$ 222,091
Difference in changes of assumptions	-	1,730,448
Total	<u>\$ -</u>	<u>\$ 1,952,539</u>

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

Year ended	
2021	\$ (172,648)
2022	(172,648)
2023	(172,648)
2024	(172,648)
2025	(172,648)
Thereafter	(1,089,299)
	<u>\$ (1,952,539)</u>

Actuarial assumptions. The total OPEB liability in the December 31, 2020, 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	1.93%
Future salary increase	Varies by year of service 15 years or more – 4.25% up to 2 years or less - 11.25%

The mortality assumption has been updated to the Safety Pub-2010 Headcount Weighted Mortality Tables, projected on a fully generational basis using mortality scale MP-2020. MP-2020 was released by the Society of Actuaries (SOA) in October 2020. The disabled mortality assumption has been updated to Safety Pub-2010 Headcount Weighted Mortality Tables, projected on a fully generational basis using mortality scale MP-2020. The mortality assumption for current and future beneficiaries has been updated to the Pub-2010 Headcount Weighted Contingent Survivor Mortality Tables, projected on a fully generational basis using mortality scale MP-2020. The mortality assumptions used for the previous valuation were the RP-2014 Mortality Tables and were projected using mortality improvement scale MP-2019.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

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

<u>Year</u>	<u>Trend Rate</u>
2021	7.25%
2022	7.00%
2032	6.75%
2024	6.50%
2025	6.25%
2026	6.00%
2027	5.75%
2028	5.50%
2029	5.25%
2030	5.00%

Sensitivity of the City of Pueblo's net OPEB liability to changes in the Health Care Cost Trend Rates. The following tables 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	<u>\$ 6,357,064</u>	<u>\$ 7,362,289</u>	<u>\$ 8,570,199</u>

Discount rate. The discount rate at the measurement date is 1.93%. 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 31, 2020. The discount rate at the previous measurement date is 3.26% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019.

Sensitivity of the City of Pueblo's net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1 % Increase</u>
Net OPEB liability	<u>\$ 8,069,575</u>	<u>\$ 7,362,289</u>	<u>\$ 6,700,674</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

FIRE UNIT

General Information about the OPEB Plan

Plan description. The plan allows eligible participants to enroll in postretirement medical plans but does not provide any explicit subsidy.

Eligibility. Active members are eligible for normal retirement with at least 55 years of age and 25 years of service. Active members may retire early if they are age 50 and have 30 years of service. Active members who become disabled may meet criteria for disability retirement eligibility prior to normal retirement. Any person employed by the City of Pueblo Fire Unit on a permanent, full-time basis are included.

Plan Membership. At December 31, 2020, the following employees were covered by the benefit terms:

Active Members	142
Retirees, Surviving Spouses, and Covered Spouses	15
Total	<u>157</u>

Benefits provided. The City of Pueblo allows eligible participants to enroll in medical plans upon retirement. The premiums for these plans are paid entirely by the plan participants. Thus, the City is only responsible for the implicit subsidy.

The implicit subsidy can be defined as the difference between the true cost of healthcare coverage and the insurance premiums charged for retirees and older workers. Healthcare utilization and costs increase with age, yet when insurance premiums are set, they are often established as singular amounts without regard to age. A portion of the singular premium paid by younger workers subsidizes the higher costs for retirees and older workers. This subsidy is reallocated to the OPEB plan when determining the true costs under GASB 75.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

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

The plan operates on a pay-as-you-go basis and thus, has no assets. At December 31, 2020, the City of Pueblo reported a net OPEB liability of \$5,656,820. The net OPEB liability for the Fire Unit was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020.

For the year ended December 31, 2020, the City of Pueblo recognized OPEB expense of \$304,513. At December 31, 2020, the City of Pueblo 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	\$ -	\$ 428,063
Difference in changes of assumptions	-	1,329,261
Total	<u>\$ -</u>	<u>\$ 1,757,324</u>

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

Year ended	
2021	\$ (193,595)
2022	(193,595)
2023	(193,595)
2024	(193,595)
2025	(193,595)
Thereafter	(789,349)
	<u>\$ (1,757,324)</u>

Actuarial assumptions. The total OPEB liability in the December 31, 2020 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	3.26%
Future salary increase	Varies by year of service 15 years or more – 4.25% up to 2 years or less - 11.25%

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

The mortality assumption has been updated to the Safety Pub-2010 Headcount Weighted Mortality Tables, projected on a fully generational basis using mortality scale MP-2020. MP-2020 was released by the Society of Actuaries (SOA) in October 2020. The disabled mortality assumption has been updated to Safety Pub-2010 Headcount Weighted Mortality Tables, projected on a fully generational basis using mortality scale MP-2020. The mortality assumption for current and future beneficiaries has been updated to the Pub-2010 Headcount Weighted Contingent Survivor Mortality Tables, projected on a fully generational basis using mortality scale MP-2020. The mortality assumptions used for the previous valuation were the RP-2014 Mortality Tables and were projected using mortality improvement scale MP-2019.

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

<u>Year</u>	<u>Trend Rate</u>
2021	7.25%
2022	7.00%
2032	6.75%
2024	6.50%
2025	6.25%
2026	6.00%
2027	5.75%
2028	5.50%
2029	5.25%
2030	5.00%

Sensitivity of the City of Pueblo's net OPEB liability to changes in the Health Care Cost Trend Rates. The following tables 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	<u>\$ 4,998,933</u>	<u>\$ 5,656,820</u>	<u>\$ 6,436,986</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

Discount rate. The discount rate at the measurement date is 1.93%. 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 31, 2020. The discount rate at the previous measurement date is 3.26% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019.

Sensitivity of the City of Pueblo's net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1 % Increase
Net OPEB liability	\$ 6,123,906	\$ 5,656,820	\$ 5,216,968

SUMMARY OF ALL OPEB PLANS

	Net OPEB Liability	Net OPEB Assets	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
<u>Primary Government - City of Pueblo</u>					
PERA	\$ 2,776,275	\$ -	\$ 347,324	\$ 592,515	\$ 183,269
Police Unit	7,362,289	-	-	1,952,539	763,864
Fire Unit	5,656,820	-	-	1,757,324	304,513
City of Pueblo Total	<u>15,795,384</u>	<u>-</u>	<u>347,324</u>	<u>4,302,378</u>	<u>1,251,646</u>
<u>Discretely Presented Component Unit - PURA</u>					
PERA	50,647	-	12,045	9,382	4,684
PURA Total	50,647	-	12,045	9,382	4,684
Total	<u>\$ 15,846,031</u>	<u>\$ -</u>	<u>\$ 359,369</u>	<u>\$ 4,311,760</u>	<u>\$ 1,256,330</u>

\$228,059 and \$4,798 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended	<u>City of Pueblo</u>	<u>PURA</u>
2021	\$ (455,208)	\$ (260)
2022	(455,203)	(511)
2023	(441,786)	(266)
2024	(474,011)	(582)
2025	(471,893)	(488)
Thereafter	(1,885,012)	(28)
	<u>\$ (4,183,113)</u>	<u>\$ (2,135)</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities in the government-wide financial statements for the year ended December 31, 2020:

	Balance January 1, 2020	Increases	Decreases	Balance December 31, 2020	Due Within One Year
Governmental activities					
Certificates of participation -					
LED street lights, series 2014	\$ 2,216,004	\$ -	\$ (421,251)	\$ 1,794,753	\$ 431,951
Police complex, refunded 2016	9,594,161	-	(2,322,211)	7,271,950	2,372,371
	<u>11,810,165</u>	<u>-</u>	<u>(2,743,462)</u>	<u>9,066,703</u>	<u>2,804,322</u>
Capital leases -					
Tyler ERP system	780,023	-	(196,972)	583,051	200,654
Fire pumper/Phone upgrade	523,659	-	(259,468)	264,191	264,191
Police vehicles	457,404	-	(227,056)	230,348	230,348
Fire equipment	412,897	-	(77,198)	335,699	79,799
Police mobile equipment	577,235	-	(186,439)	390,796	192,349
Police vehicles	1,210,724	-	(289,396)	921,328	298,078
	<u>3,961,942</u>	<u>-</u>	<u>(1,236,529)</u>	<u>2,725,413</u>	<u>1,265,419</u>
Accrued interest payable	188,929	137,997	(188,929)	137,997	137,997
Compensated absences	5,464,780	6,035,535	(5,890,698)	5,609,617	560,962
Claims and judgments	1,406,510	619,592	(1,557,285)	468,817	398,494
Net pension liability	60,972,428	-	(15,486,193)	45,486,235	-
Net OPEB liability	17,285,259	-	(2,298,905)	14,986,354	-
Total governmental activities	<u>\$ 101,090,013</u>	<u>\$ 6,793,124</u>	<u>\$ (29,402,001)</u>	<u>\$ 78,481,136</u>	<u>\$ 5,167,194</u>

Payments on the certificates of participation, capital leases, and accrued interest payable are recorded in the debt service fund. The payments for compensated absences are recorded in the general fund, while claims and judgments are recognized in the internal service fund. Payments on the net pension liability and the net post-employment benefit obligation are also recorded in the general fund.

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

	Costs	Accumulated Depreciation to December 31, 2020
Tyler ERP system	\$ 1,924,275	\$ 1,026,280
Fire pumper/Phone upgrade	1,541,587	929,589
Police vehicles	1,121,137	1,121,137
Police mobile equipment	928,697	670,284
Police vehicles	1,472,052	521,751
Fire equipment	488,836	58,195
	<u>\$ 7,476,584</u>	<u>\$ 4,327,236</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

	Balance January 1, 2020	Increases	Decreases	Balance December 31, 2020	Due Within One Year
Business-type activities:					
Capital leases -					
Elmwood golf course	\$ 231,107	\$ -	\$ (74,615)	\$ 156,492	\$ 77,010
Walking Stick golf course	975,313	-	(253,233)	722,080	264,137
Total	<u>1,206,420</u>	<u>-</u>	<u>(327,848)</u>	<u>878,572</u>	<u>341,147</u>
Notes payable - sewer user fund					
2003 issue	2,313,605	-	(428,649)	1,884,956	439,641
2009 issue	787,500	-	(75,000)	712,500	75,000
2010 issue	14,238,848	-	(1,143,211)	13,095,637	1,174,960
Unamortized premium	743,333	-	(70,236)	673,097	70,236
2014 issue	<u>3,421,374</u>	<u>-</u>	<u>(190,111)</u>	<u>3,231,263</u>	<u>191,496</u>
	<u>21,504,660</u>	<u>-</u>	<u>(1,907,207)</u>	<u>19,597,453</u>	<u>1,951,333</u>
Notes payable - stormwater fund					
2018 issue	6,568,520	-	(281,807)	6,286,713	289,102
Unamortized premium	<u>192,928</u>	<u>-</u>	<u>(10,154)</u>	<u>182,774</u>	<u>10,154</u>
	<u>6,761,448</u>	<u>-</u>	<u>(291,961)</u>	<u>6,469,487</u>	<u>299,256</u>
Accrued interest payable	<u>337,940</u>	<u>337,214</u>	<u>(337,940)</u>	<u>337,214</u>	<u>337,214</u>
Compensated absences	<u>774,118</u>	<u>738,288</u>	<u>(630,844)</u>	<u>881,562</u>	<u>88,157</u>
Net pension liability	<u>12,125,292</u>	<u>-</u>	<u>(5,229,924)</u>	<u>6,895,368</u>	<u>-</u>
Net OPEB liability	<u>1,018,215</u>	<u>-</u>	<u>(209,185)</u>	<u>809,030</u>	<u>-</u>
Total business-type activities	<u>\$ 43,728,093</u>	<u>\$ 1,075,502</u>	<u>\$ (8,934,909)</u>	<u>\$ 35,868,686</u>	<u>\$ 3,017,107</u>

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

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

	Costs	Accumulated Depreciation to December 31, 2020
Elmwood golf course equipment	\$ 403,453	\$ 181,932
Walking stick golf course equipment	<u>2,218,337</u>	<u>846,458</u>
	<u>\$ 2,621,790</u>	<u>\$ 1,028,390</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

	Balance January 1, 2020	Increases	Decreases	Balance December 31, 2020	Due Within One Year
Pueblo Urban Renewal Authority discretely-presented component unit					
Improvement revenue bonds, series 2011B	\$ 9,520,000	\$ -	\$ (9,405,000)	\$ 115,000	\$ 115,000
Unamortized premium	188,613	-	(188,613)	-	-
	<u>9,708,613</u>	<u>-</u>	<u>(9,593,613)</u>	<u>115,000</u>	<u>115,000</u>
Revenue refunding bonds, series 2017	<u>6,026,700</u>	<u>-</u>	<u>(6,026,700)</u>	<u>-</u>	<u>-</u>
Sales tax increment bonds, series 2017	14,100,000		(1,780,000)	12,320,000	2,140,000
Unamortized discount	(118,773)	-	6,987	(111,786)	(6,987)
	<u>13,981,227</u>	<u>-</u>	<u>(1,773,013)</u>	<u>12,208,214</u>	<u>2,133,013</u>
Tax-exempt refunding revenue bonds, series 2011B	3,075,000	-	(2,770,000)	305,000	305,000
Unamortized premium	202,518	-	(202,518)	-	-
	<u>3,277,518</u>	<u>-</u>	<u>(2,972,518)</u>	<u>305,000</u>	<u>305,000</u>
Revenue refunding bonds, series 2018	<u>2,172,594</u>	<u>-</u>	<u>(2,172,594)</u>	<u>-</u>	<u>-</u>
Expanded Downtown refunding, series 2020	<u>-</u>	<u>5,945,000</u>	<u>(595,000)</u>	<u>5,350,000</u>	<u>545,000</u>
Lake Minnequa TIF refunding, series 2020	<u>-</u>	<u>2,545,000</u>	<u>(170,000)</u>	<u>2,375,000</u>	<u>165,000</u>
North Pueblo TIF refunding, series 2020	<u>-</u>	<u>3,825,000</u>	<u>(365,000)</u>	<u>3,460,000</u>	<u>305,000</u>
Memorial Hall taxable refunding, series 2020	-	9,640,937	(143,613)	9,497,324	230,536
Unamortized premium	-	234,821	(5,313)	229,508	12,750
	<u>-</u>	<u>9,875,758</u>	<u>(148,926)</u>	<u>9,726,832</u>	<u>243,286</u>
Convention Center taxable refunding, series 2020	-	3,114,063	(46,387)	3,067,676	74,464
Unamortized premium	-	75,848	(1,717)	74,131	4,118
	<u>-</u>	<u>3,189,911</u>	<u>(48,104)</u>	<u>3,141,807</u>	<u>78,582</u>
Bank notes	<u>2,571,638</u>	<u>-</u>	<u>(2,571,638)</u>	<u>-</u>	<u>-</u>
Obligation under capital leases	<u>280,758</u>	<u>-</u>	<u>(32,233)</u>	<u>248,525</u>	<u>37,294</u>
Accrued interest payable	<u>144,471</u>	<u>636,058</u>	<u>(739,419)</u>	<u>41,110</u>	<u>41,110</u>
Compensated absences	<u>54,210</u>	<u>49,266</u>	<u>(45,200)</u>	<u>58,276</u>	<u>58,276</u>
Net pension liability	<u>645,451</u>	<u>(154,267)</u>	<u>(60,907)</u>	<u>430,277</u>	<u>-</u>
Net OPEB liability	<u>54,211</u>	<u>1,234</u>	<u>(4,798)</u>	<u>50,647</u>	<u>-</u>
Total Pueblo Urban Renewal Authority discretely- presented component unit activities	<u>\$ 38,917,391</u>	<u>\$ 25,912,960</u>	<u>\$ (27,319,663)</u>	<u>\$ 37,510,688</u>	<u>\$ 4,026,561</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

	Balance January 1, 2020	Increases	Decreases	Balance December 31, 2020	Due Within One Year
Pueblo Municipal Rail Corporation discretely-presented component unit					
Note payable	\$ 2,297,204	\$ -	\$ (109,667)	\$ 2,187,537	\$ 1,202,982
Accrued interest payable	<u>362,658</u>	<u>100,117</u>	<u>-</u>	<u>462,775</u>	<u>462,776</u>
Total Pueblo Municipal Rail Corporation discretely-presented component unit activities	<u>\$ 2,659,862</u>	<u>\$ 100,117</u>	<u>\$ (109,667)</u>	<u>\$ 2,650,312</u>	<u>\$ 1,665,758</u>

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

Certificates of Participation

\$16,380,000 certificates of participation issued by the City; interest rate of 2.16%; due in annual installments, including interest, of \$2,529,445 through August 2023; debt is serviced by the debt service fund, and is subject to annual appropriation by City Council, collateralized by buildings with carrying value of \$20,014,466	\$ 7,271,950
\$4,200,000 certificates of participation issue of Pueblo Municipal Building Corporation; interest rate of 2.54%; due in annual installments of \$477,537 including interest through August 2024; debt is serviced by debt service fund and is subject to annual appropriation by City Council, collateralized by buildings with a carrying value of \$2,026,394	<u>1,794,753</u> <u>9,066,703</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

Obligations under capital lease

\$1,924,275 obligation under capital lease; interest rate of 1.87%; payable in annual installments of \$211,551 including interest through January 2023; debt is serviced by the debt service fund and is subject to annual appropriation by City Council	583,051
\$1,541,618 obligation under capital lease; interest rate of 1.82%; payable in annual installments of \$173,253, including interest through January 2021; debt is serviced by the debt service fund and is subject to annual appropriation by City Council	264,191
\$1,345,847 obligation under capital lease; interest rate of 1.45%; payable in annual installment of \$233,688, including interest through January 2021; debt is serviced by the debt service fund and is subject to annual appropriation by City Council	230,348
\$546,674 obligation under capital lease; interest rate of 3.37%; payable in annual installments of \$91,112, including interest through February 2024; debt is serviced by the debt service fund and is subject to annual appropriation by City Council	335,699
\$1,023,687 obligation under capital lease; interest rate of 3.17%; payable in annual installments of \$204,737, including interest through April 2022; debt is serviced by the debt service fund and is subject to annual appropriation by City Council	390,796
\$1,628,587 obligation under capital lease; interest rate of 3.00%; payable in annual installments of \$325,717, including interest through January 2023; debt is serviced by the debt service fund and is subject to annual appropriation by City Council	921,328
	<u>2,725,413</u>

Other Obligations

Accrued interest payable	137,997
Compensated absences	5,609,617
Self-insured claims and judgments	468,817
Net pension liability	45,486,235
Net OPEB liability	14,986,354
	<u>66,689,020</u>

Total governmental activities	<u>\$ 78,481,136</u>
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City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,804,322	\$ 202,661	\$ 3,006,983
2022	2,866,536	140,446	3,006,982
2023	2,930,137	76,846	3,006,983
2024	465,708	11,829	477,537
	<u>\$ 9,066,703</u>	<u>\$ 431,782</u>	<u>\$ 9,498,485</u>

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,265,419	\$ 70,387	\$ 1,335,806
2022	792,359	40,759	833,118
2023	579,493	18,402	597,895
2024	88,142	2,970	91,112
	<u>\$ 2,725,413</u>	<u>\$ 132,518</u>	<u>\$ 2,857,931</u>

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

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,358,146. This difference, reported in the accompanying statement of net position as a deferred outflow of resources, is being charged to operations through the year 2023 using the effective-interest method. The City completed the advance refunding to reduce its total debt service payments over the next seven years by \$682,427 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$639,498. The deferred amounts of refunding as of December 31, 2020 is \$582,062.

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

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

Obligations Under Capital Leases

\$1,700,000 obligation under capital lease; interest rate of 4.97%; due in annual installments of \$191,479 including principal and interest through January 2023; debt is serviced by the Walking Stick golf course major enterprise fund and is subject to annual appropriation by City Council	\$ 521,738
\$381,185 obligation under capital lease; interest rate of 3.21%; due in annual installments of \$82,033 including principal and interest through February 2022; debt is serviced by the Elmwood golf course major enterprise fund and is subject to annual appropriation by City Council	156,492
\$487,998 obligation under capital lease; interest rate of 3.21%; due in annual installments of \$105,020 including principal and interest through February 2022; debt is serviced by the Walking Stick golf course major enterprise fund and is subject to annual appropriation by City Council	<u>200,342</u>
	<u>878,572</u>

Notes payable

\$8,402,620 note payable to Colorado Water Resources and Power Development Authority; interest rate of 3.25%; due in semi-annual installments ranging from \$258,725 to \$269,194 including principal, interest and administrative fees through August 2024; debt is serviced by the sewer user major enterprise fund	1,884,956
\$1,500,000 note payable to Colorado Water Resources and Power Development Authority; non-interest bearing; due in semi-annual installments of \$37,500 through February 2030; debt is serviced by the sewer user major enterprise fund	712,500
\$23,595,277 note payable to Colorado Water Resources and Power Development Authority; interest rate of 2.5%; due in semi-annual installments including principal, interest and administrative fees ranging from \$793,437 to \$798,366 through August 2030; debt is serviced by the sewer user major enterprise fund	13,095,637
\$4,179,047 note payable to Colorado Water Resources and Power Development Authority; interest rate of 1.13%; due in semi-annual installments including principal, interest and administrative fees ranging from \$257,582 to \$266,240 through August 2035; debt is serviced by sewer user major enterprise fund	3,231,263

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

\$6,846,524 note payable to Colorado Water Resources and Power Development Authority; interest rate of 3.26%; due in semi-annual installments including principal, interest and administrative fees ranging from \$189,236 to \$223,215 through August 2038; debt is serviced by stormwater major enterprise fund

6,286,713

25,211,069

Other obligations

Accrued interest payable	337,214
Compensated absences	881,562
Net pension liability	6,895,368
Net OPEB liability	<u>809,030</u>
	<u>8,923,174</u>

Total business-type activities	<u>\$ 35,012,815</u>
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The debt service requirements for the business-type activities capital leases are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 341,147	\$ 37,385	\$ 378,532
2022	355,012	23,520	378,532
2023	<u>182,413</u>	<u>9,066</u>	<u>191,479</u>
	<u>\$ 878,572</u>	<u>\$ 69,971</u>	<u>\$ 948,543</u>

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,170,199	\$ 729,866	\$ 2,900,065
2022	2,210,616	674,579	2,885,195
2023	2,291,903	602,992	2,894,895
2024	2,369,044	523,366	2,892,410
2025	1,877,628	494,828	2,372,456
2036-2030	10,024,549	1,799,059	11,823,608
2031-2035	3,026,082	499,066	3,525,148
2036-2038	<u>1,241,048</u>	<u>91,392</u>	<u>1,332,440</u>
	<u>\$ 25,211,069</u>	<u>\$ 5,415,148</u>	<u>\$ 30,626,217</u>

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

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

Revenue Bonds

\$225,000 improvement revenue bonds, series 2011B; interest rate 5.00%; due in semi-annual installments, including annual interest ranging from \$115,625 to \$120,750 through December 2021	\$ 115,000
\$17,030,000 sales tax increment bonds, series 2017; interest rate ranging from 2.25% to 5.00%; due in semi-annual installments, including annual interest ranging from \$396,575 to \$3,741,250 through June 2036	12,320,000
\$595,000 tax-exempt refunding revenue bonds series 2011B; interest rate 5.00%, due in semi-annual installments, including annual interest ranging from \$304,875 to \$320,250 through December 2021	305,000
\$5,945,000 revenue refunding bonds series 2020; interest rate 1.60%; due in semi-annual installments, including annual interest ranging from \$627,499 to \$660,400 through December 2029	5,350,000
\$2,545,000 tax increment revenue refunding bonds series 2020, interest rate 2.95%; due in semi-annual installments, including annual interest ranging from \$196,903 to \$235,063 through December 2032	2,375,000
\$3,825,000 tax increment revenue refunding bonds series 2020, interest rate 2.75%; due in semi-annual installments, including annual interest ranging from \$398,100 to \$402,692 through December 2030	3,460,000
\$9,640,937 taxable revenue refunding bonds series 2020; interest rate ranges From 2.00% to 4.00%; due in semi-annual installments including interest ranging from \$236,022 to \$677,445 through December 2038	9,497,324
\$3,114,063 taxable revenue refunding bonds series 2020; interest rate ranges From 2.00% to 4.00%; due in semi-annual installments including interest ranging from \$76,236 to \$218,818 through December 2038	<u>3,067,676</u>
	<u>36,490,000</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

Obligations Under Capital Leases

\$91,000 obligation under capital lease; interest rate of 4.25%; due in monthly installments including interest of \$1,257 through August 2026 75,713

\$193,498 obligation under capital lease; interest rate of 4.54%; due in monthly installments including interest of \$2,714 through February 2027 172,812

248,525

Other obligations

Accrued interest payable 41,110

Compensated absences 58,276

Net pension liability 430,277

Net OPEB liability 539,200

580,310

Total Pueblo Urban Renewal Authority discretely-presented component unit activities \$ 37,318,835

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

Year Ending December 31	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2021	\$ 1,360,536	\$ 493,647	\$ -	\$ -
2022	1,482,175	456,700	-	-
2023	1,526,072	416,455	-	-
2024	1,574,968	374,862	-	-
2025	1,612,527	341,451	-	-
2026-2030	7,997,703	1,176,582	-	-
2031-2035	3,334,808	492,730	-	-
2036-2040	1,908,535	105,026	-	-
	<u>\$ 20,797,324</u>	<u>\$ 3,857,453</u>	<u>\$ -</u>	<u>\$ -</u>

Year Ending December 31	Revenue Bonds		Capital Leases	
	Principal	Interest	Principal	Interest
2021	\$ 2,519,464	\$ 575,841	\$ 37,294	\$ 10,354
2022	2,447,825	488,056	38,995	8,654
2023	168,928	444,462	40,773	6,849
2024	230,032	436,486	42,632	5,017
2025	292,473	428,924	44,576	3,073
2026-2030	2,182,297	1,951,934	44,255	1,078
2031-2035	3,585,192	1,453,953	-	-
2036-2040	4,266,465	125,174	-	-
	<u>\$ 15,692,676</u>	<u>\$ 5,904,830</u>	<u>\$ 248,525</u>	<u>\$ 35,025</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

The \$7,363,000 series 2017 revenue refunding bonds were issued by the Authority to advance refund \$7,193,000 of outstanding series 2006 revenue bonds. The bonds were refunded in July 2020.

The \$5,945,000 series 2020 revenue refunding bonds were issued by the Authority to refund \$6,026,700 of outstanding series 2017 revenue refunding bonds, which were issued to be used in the expanded urban renewal project area, specifically to assist in the financing and construction of a parking garage. Interest and principal on this note are payable from the pledged incremental property taxes generated within the Expanded Downtown district. Supplemental funding comes from the City, based on the agreement that the City will pay 40% of the net revenues received less expenditures paid. The Authority completed the refunding to reduce its total debt service payments over the next nine years by \$649,312 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$652,167.

The \$2,420,000 series 2018 revenue refunding bonds were issued by the Authority to advance refund \$2,420,000 of outstanding series 2011 revenue bonds. The bonds were refunded in July 2020.

The \$2,545,000 series 2020 tax increment revenue refunding bonds were issued by the Authority to refund \$2,172,594 of outstanding series 2018 revenue refunding bonds, which were issued to provide funds for the construction of certain infrastructure and other improvements in the Lake Minnequa district. An additional \$500,000 was borrowed as part of the refunding for additional district infrastructure improvements. Interest and principal on this note are payable from the pledged incremental property taxes generated within the Lake Minnequa district. The Authority completed the refunding to reduce its total debt service payments over the next 12 years by \$69,983 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$95,014.

The \$4,000,000 multi-draw term bank note was issued to provide assistance for the construction of the Dillon flyover infrastructure project together with other improvements in the North Pueblo district. Interest and principal on this note are payable from the pledged incremental property taxes generated within the North Pueblo district. In connection with this note, the Authority entered into an agreement with the City, which allows for the City, at its discretion, to fund any shortfalls in the Authority's ability to make debt service payments from pledged incremental property taxes. The agreement provides that if the North Pueblo district eventually provides the Authority with a surplus of incremental property taxes, the Authority will repay the shortfall payments made by the City, along with 5% of simple interest. During 2020, the City did not pay any debt service shortfall.

The \$3,825,000 series 2020 tax increment revenue refunding bonds were issued by the Authority to refund \$2,476,110 outstanding balance of the 2013 multi-draw term bank note, and \$1,509,744 notes payable to the City. The bank note and notes due to the City were issued to provide assistance for the construction of the Dillon flyover infrastructure project together with other improvements in the North Pueblo district. Interest and principal on these bonds are payable from the pledged incremental property taxes generated within the North Pueblo district. The Authority completed the refunding to reduce its total debt service payments over the next 10 years by \$190,586 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$177,241.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

The \$10,000,000 series 2011B improvement revenue bonds were issued by the Authority for the purpose of providing funds for the remodeling and restoring of the historic Memorial Hall which is within the expanded downtown district. The bonds were partially refunded in July 2020. The remaining \$225,000 bonds mature annually beginning in 2020 with final payment in 2021.

In July 2020, the Authority entered into a refunding transaction whereby the series 2020 taxable revenue refunding bonds were issued to partially refund \$12,595,000 the Authority's series 2011B refunding and improvement revenue bonds. The series 2020 bonds were issued in the amount of \$12,755,000. The net proceeds of \$12,680,848 (after payment of \$561,144 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt payments on the series 2011B refunding and improvement bonds beginning with bonds maturing in 2022. The total amount deposited with the escrow agent was \$12,680,848, which included the \$11,775,000 refunded bonds, \$73,205 in current interest, and deferred amounts on refunding of \$832,643. As a result of this transaction, the series 2011B refunding and improvement bonds maturing in 2022 through 2038 are considered to be defeased in-substance and the liability for those bonds has been removed from the statement of net position. The Authority completed the advance refunding to reduce its total debt service payments over the next 18 years by \$2,865,550 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$2,345,592.

Interest and principal on these bonds are payable from the proceeds of the pledged revenue which consists of 3.3% of the City's sales and use tax collections. On a monthly basis, the City remits 3.3% of its sales and use tax collections to the trustee for debt service on the series 2011B refunding and improvement bonds (through 2021) and the series 2020 taxable revenue refunding bonds on behalf of the Authority. A portion of these monthly collections is allocated by the trustee for operations and maintenance and debt service of the Authority's convention center.

The \$17,030,000 series 2017 sales tax increment revenue bonds were issued by the Authority for the purpose of providing funds for the design, construction, equipping and improvement of Phase 1, and component parts of Phases 2 and 3 of the RTA Project consisting of the expansion of the Pueblo Convention Center. Interest and principal on this note are payable from the pledged incremental state sales taxes generated within the established 2012 boundaries of the City of Pueblo. The Authority, in conjunction with the Colorado Economic Development Commission (the "Commission"), approved a resolution dedicating specified sales tax increment revenue for approved regional tourism projects. This agreement specifies a percentage of sales tax increment revenue will be dedicated to the Project in the amount of 24.7% of state sales tax revenue collected within the Regional Tourism Zone in excess of the Base Year Revenue (calculated as state sales tax revenue collected by the State from taxable transactions occurring within the Regional Tourism Zone during the twelve-month period from May 1, 2011 and ending on April 30, 2012) until April 30, 2022. Thereafter 3.3% of state sales tax revenue collected within the Regional Tourism Zone in excess of the Base Year Revenue will be dedicated to the Project until the earlier of either the date on which \$35.7 million in state sales tax increment revenue has been paid or payment in full has been made on the bonds associated with financing the project, provided no single bond shall have a maturity date of 30 years. There is an option, with written

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

notification to the Commission to extend the financing term to a date not to exceed 50 years. The funds received for the states sales tax increment revenue are being used to pay debt service on the Convention Center State Sales Tax Increment Revenue Bonds.

The \$3,890,000 series 2011B tax-exempt revenue refunding bonds were issued by the Authority to advance refund \$2,420,000 of outstanding series 2011 revenue bonds, which were issued to provide funds for the construction of certain infrastructure and other improvements in the original downtown district. The bonds were partially refunded in July 2020. The remaining \$305,000 bonds mature annually beginning in 2020 with final payment in 2021.

The Authority has available a \$100,000 revocable line of credit with US Bank, NA. The interest rate is the current prime rate, which was 3.25% as of March, 16, 2020. As of December 31, 2020, no borrowings were outstanding under this line of credit agreement. This line of credit does not have an expiration date.

In 2020, the Authority defeased certain revenue bonds by placing the proceeds of new bonds in escrow to provide for all future debt service payments on the old bonds. Accordingly, the escrow account assets and liability for the defeased bonds are not included in the Authority's financial statements. The balance of defeased bonds outstanding at December 31, 2020, was \$11,775,000.

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

Note Payable

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

\$ 2,187,537

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

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,202,982	\$ 416,871	\$ 1,619,853
2022	288,695	51,595	340,290
2023	695,860	172,047	867,907
	<u>\$ 2,187,537</u>	<u>\$ 640,513</u>	<u>\$ 2,828,050</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

J. NET POSITION

Restricted net position represents net position whose uses are subject to constraints that are either (1) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2020, is as follows:

	Governmental Activities	Pueblo Urban Renewal Authority
Pension	\$ 1,891,810	\$ -
Tabor	2,652,189	
Economic development	99,377,578	-
Debt service and district projects	-	4,438,230
Capital projects	2,751,335	-
Public safety	4,121,262	-
Public works	10,153,708	-
Parks and recreation	1,640,956	-
Culture and community welfare	5,845,509	-
	<u>\$ 128,434,347</u>	<u>\$ 4,438,230</u>

Restricted for TABOR – This represents approximately 3% of the City’s 2020 fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the City’s net position can be used for declared emergencies only and the City must maintain 3% or more of its fiscal year spending in this restricted account. The City does not believe this restriction meets the definition of a stabilization arrangement under generally accepted accounting principles.

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

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

Pueblo Urban Renewal Authority Net Position – Restricted net position represents net position whose uses are subject to constraints that are either (1) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES FOR ALL FUNDS, Continued

K. FUND BALANCES

At December 31, 2020, fund balances for governmental funds consist of the following:

	Governmental Funds					Total
	General Fund	Economic Development 1/2 Cent Tax Fund	HUD Grants Fund	Public Improvement s Funds	Other Governmenta l Funds	
Fund Balances -						
Nonspendable -						
Inventories	\$ 34,627	\$ -	\$ -	\$ -	\$ -	\$ 34,627
Prepaid items	812,788	-	-	-	-	812,788
Long-term fund advances	1,623,563	-	-	-	-	1,623,563
Restricted - Tabor	2,652,189	-	-	-	-	2,652,189
Economic development incentives	-	99,377,578	-	-	-	99,377,578
Low and moderate income assistance	-	-	5,285,370	-	355,159	5,640,529
Streets, highways and bridges	-	-	-	-	7,185,274	7,185,274
Police and fire assistance	-	-	-	-	4,121,262	4,121,262
Parks and recreation projects	-	-	-	-	1,640,956	1,640,956
Waste and other disposal	-	-	-	-	2,968,434	2,968,434
District maintenance	-	-	-	-	189,540	189,540
Cemetery maintenance	-	-	-	-	15,440	15,440
Capital projects	-	-	-	2,581,791	169,544	2,751,335
Committed -						
Minimum reserve	9,137,317	-	-	-	-	9,137,317
Capital projects	-	-	-	104,831	-	104,831
Assigned -						
Subsequent years' expenditures	7,177,616	-	-	-	-	7,177,616
Year-end sales and use tax receivable	6,598,503	-	-	-	-	6,598,503
Capital projects	-	-	-	3,311,508	-	3,311,508
Long-term fund advances	-	-	-	747,000	-	747,000
Parks and recreation projects	-	-	-	-	58,717	58,717
Donor specified projects	-	-	-	-	177,943	177,943
Unassigned	8,330,616	-	-	-	-	8,330,616
	<u>\$ 36,367,219</u>	<u>\$ 99,377,578</u>	<u>\$ 5,285,370</u>	<u>\$ 6,745,130</u>	<u>\$ 16,882,269</u>	<u>\$ 164,657,566</u>

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

IV. OTHER NOTE DISCLOSURES

A. RISK MANAGEMENT

SELF-INSURED RISKS

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

The City has elected to self-insure for workmen's compensation with a specific retention risk of \$750,000 in 2020. Claims and insurance costs are recognized as expenses in the internal service fund and totaled \$2,710,310 for the year ended December 31, 2020. At December 31, 2020, the actuarially determined loss reserve for self-insured workmen's compensation claims totaled \$468,817 which represents the discounted present value of expected losses using a discount rate assumption of 3% and includes claims incurred but not yet reported. Changes in this claims liability for the years ended December 31, 2020 and 2019 are as follows:

	<u>Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Estimated claims liability, January 1	\$ 1,406,510	\$ 1,900,928
Current year claims and changes in estimates	619,592	1,821,715
Current year payments	(1,557,285)	(2,316,133)
Estimated claims liability, December 31	<u>\$ 468,817</u>	<u>\$ 1,406,510</u>

The City has elected to self-insure for employee health claims. The plan is administered by Anthem BDBS, with individual and aggregate stop loss coverage. The individual stop loss deductible is \$150,000 and the aggregate stop loss includes a 25% risk corridor. Claims and fixed costs are recognized as expenses in the internal service fund and totaled \$9,702,051 for the year ended December 31, 2020, resulting in a 73.5% loss ratio to the budget accruals.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

IV. OTHER NOTE DISCLOSURES, Continued

A. RISK MANAGEMENT, Continued

PANDEMIC UNCERTANTIES

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City and its Discretely Presented Component unit, Pueblo Urban Renewal Authority's financial condition, liquidity, and future results of operations. Management of the City and PURA are actively monitoring the global situation on their financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City and PURA are not able to estimate the effects of the COVID-19 outbreak on their results of operations, financial condition, or liquidity for the fiscal year 2021.

NEW HIRE FIRE AND POLICE DEATH AND DISABILITY

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

Plan members and the City of Pueblo are required to contribute at a rate set by statute. The contribution requirements of plan members and the City of Pueblo are established under Title 31, Article 30, part 10 of the CRS, as amended. The contribution rate for new-hire police members is 0.00% of covered salary and for the City of Pueblo the contribution rate is 2.80% of covered salary. The contribution rate for new-hire fire members is .20% of covered salary and for the City of Pueblo the contribution rate is 2.60% of covered salary. The City of Pueblo's contributions to the statewide death and disability plan for the years ended December 31, 2020, 2019, 2018, and 2017 were \$612,637, \$575,636, \$501,804, and \$449,375, respectively, equal to their required contributions for each year.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

B. OTHER REPORTING ENTITY DISCLOSURES

JOINT VENTURES

PUEBLO REGIONAL BUILDING DEPARTMENT

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

PUEBLO DEPARTMENT OF PUBLIC HEALTH & ENVIRONMENT

The Pueblo Department of Public Health & Environment is also a joint venture between the City of Pueblo and the County of Pueblo. The Department was created in 1952 for the purpose of providing public health care services to the residents of the City and County. A portion of the Department's revenues are composed of subsidies from the City of Pueblo and County of Pueblo, with the City's totaling \$719,483 for 2020. The governing body of the Department is composed of five members, two of which are appointed by the City of Pueblo, two are appointed by the County of Pueblo, and one member is jointly appointed.

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

HISTORIC ARKANSAS RIVERWALK AUTHORITY

The City is a participant with the County of Pueblo (the County), the Pueblo Urban Renewal Authority (PURA), the Pueblo Conservancy District (the District) and the Board of Water Works (the Board) in a joint venture known as the Historic Arkansas Riverwalk Authority (the Authority). The Authority's purpose is to promote, manage, supervise, operate, develop and maintain the Historic Arkansas Riverwalk Project (HARP). The governing body is composed of seven members, two of which are appointed by the City, while each of the other participants appoints one member and one member is appointed by the majority vote of an appointment committee composed of five persons who are appointed by each of the governing bodies of the parties. A portion of the Authority's revenues are composed of subsidies from the City of Pueblo and the County of Pueblo, with the City's totaling \$326,172 for 2020.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

IV. OTHER NOTE DISCLOSURES, Continued

B. OTHER REPORTING ENTITY DISCLOSURES, 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 lesser than the amount contained in the annual plan and budget. Complete financial statements for the Authority can be obtained from their administrative office located at 125 Riverwalk Place, Pueblo, Colorado.

JOINTLY GOVERNED ORGANIZATION

PUEBLO AREA COUNCIL OF GOVERNMENTS (PACOG)

PACOG was formed in 1971 to serve as an interlocal advisory board through which local government entities may be aided in dealing with issues of common interest that transcend geographic borders to include a comprehensive regional planning process. PACOG's governing body is composed of 15 members, of which 7 are City Council members. The City's accountability is limited to making these appointments. During 2020, the City appropriated \$55,007 to PACOG.

RELATED ORGANIZATION

PUEBLO HOUSING AUTHORITY

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

C. COMMITMENTS AND CONTINGENCIES

LEASING ARRANGEMENTS

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

<u>Year Ending December 31,</u>	
2021	\$ 123,500
2022	131,600
2023	135,800
2024	140,150
2025	147,826
2026	147,826
	<u>\$ 826,703</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

IV. OTHER NOTE DISCLOSURES, Continued

C. COMMITMENTS AND CONTINGENCIES, Continued

During 2020, the City entered into an operating lease agreement to acquire equipment and professional services for certain public safety activities. The estimated total cost of the equipment and miscellaneous items totaled \$2,125,049 and the following table presents a schedule of minimum lease payments due that are subject to annual appropriation by City Council:

<u>Year Ending December 31,</u>	
2021	\$ 451,848
2022	451,848
2023	451,848
2024	451,848
	<u>\$ 1,807,392</u>

OTHER COMMITMENTS

As part of an agreement with the Young Men's Christian Association (YMCA), the City committed to contribute to the YMCA a total of \$2,000,000 payable in equal installments of \$200,000 per year for 10 years beginning in 2008. This contribution was made to the YMCA as part of their capital campaign and the yearly payment is subject to annual appropriation by City Council. The City's 2020 installment was \$200,000.

Encumbrances are commitments related to unperformed (executory) contracts for goods and services. Encumbrances outstanding at December 31, 2020 are not accounted for as expenditures and liabilities but are included in fund balance. Encumbrances outstanding at December 31, 2020 for governmental funds are as follows:

General fund	\$ 6,123
Economic development 1/2 cent tax fund	3,904
HUD grants fund	463,277
Capital projects fund	1,183,920
Other governmental funds	<u>4,251,752</u>
	<u>\$ 5,908,976</u>

ARBITRAGE LIABILITY

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

IV. OTHER NOTE DISCLOSURES, Continued

C. COMMITMENTS AND CONTINGENCIES, Continued

GRANTS AND OTHER

The City participates in a number of federal and state-assisted grant programs. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audit could become a liability of the City. In the opinion of management, however, any such disallowed claims would not have a material effect on the financial statements as of and for the year ended December 31, 2020.

LEGAL DEBT MARGIN

The amount of general obligation long-term debt that can be incurred by the City is limited by the charter. General obligation debt can't exceed 10% of assessed valuation. At December 31, 2020, the debt limit was \$118,411,097 and the debt margin was \$118,411,097.

TAX ABATEMENTS

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

All incentive agreements are subject to annual appropriations by City Council as required in the Colorado Constitution and the City Charter. Some of the agreements have provisions for recapturing the incentives awarded if specific performance measures are not maintained. As of December 31, 2020, the City has three active incentive agreements in place:

<u>Purpose</u>	<u>Percentage of Taxes Abated during 2020</u>	<u>Amount of Taxes Abated during 2020</u>
Energy company to provide for generation of electricity to serve the needs of customers in their certified service territory.	50.00%	\$ 1,460,008
Energy company to provide for generation of electricity to serve the needs of customers in their certified service territory.	50.00%	385,668
Energy company to provide for generation of electricity to serve the needs of customers in their certified service territory.	50.00%	<u>71,202</u>
Total		\$ <u><u>1,916,878</u></u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2020

IV. OTHER NOTE DISCLOSURES, Continued

C. COMMITMENTS AND CONTINGENCIES, Continued

OTHER ITEMS

Tax Spending and Debt Limitations

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

Litigation

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

Subsequent Events

Management of the City has evaluated subsequent events through July 23, 2021, the date that the financial statements were available to be issued.

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Required Supplementary Information

City of Pueblo, Colorado
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budget	Final Budget
			Basis	Positive
				(Negative)
REVENUES AND OTHER				
FINANCING SOURCES				
Taxes	\$ 76,551,906	\$ 76,551,906	\$ 77,604,380	\$ 1,052,474
Licenses and permits	926,900	926,900	880,489	(46,411)
Intergovernmental	3,398,821	3,398,821	4,346,202	947,381
Charges for services	4,663,900	4,663,900	4,390,786	(273,114)
Fines and forfeits	2,290,500	2,290,500	1,754,396	(536,104)
Other revenue	411,000	411,000	1,120,822	709,822
Transfers in	3,811,469	3,811,469	3,610,319	(201,150)
TOTAL REVENUES AND				
OTHER FINANCING SOURCES	92,054,496	92,054,496	93,707,394	1,652,898
EXPENDITURES AND OTHER				
FINANCING USES				
Current -				
General government	14,183,590	14,218,336	12,309,067	1,909,269
Public safety -				
Police	31,673,058	31,659,465	28,915,218	2,744,247
Fire	19,796,874	19,782,771	19,134,723	648,048
Public works	7,923,067	7,919,434	6,346,854	1,572,580
Parks and recreation	6,564,183	6,507,828	5,187,540	1,320,288
Culture and community welfare	6,178,075	6,217,483	6,087,327	130,156
Nondepartmental	670,000	670,000	725,773	(55,773)
Capital outlay	-	143,530	142,398	1,132
Transfers out	10,977,542	15,077,542	12,536,268	2,541,274
TOTAL EXPENDITURES AND				
OTHER FINANCING USES	97,966,389	102,196,389	91,385,168	10,811,221
EXCESS (DEFICIENCY) OF REVENUES				
AND OTHER FINANCING SOURCES				
OVER EXPENDITURES AND OTHER				
FINANCING USES	(5,911,893)	(10,141,893)	2,322,226	12,464,119
FUND BALANCE, January 1	5,911,893	10,141,893	27,455,090	17,313,197
FUND BALANCE, December 31	\$ -	\$ -	29,777,316	\$ 29,777,316
Adjustment from budgetary basis to				
generally accepted accounting principles				
Accrued sales tax and franchise tax			6,598,503	
Change in allowance for uncollectible account			(8,600)	
Fund balance - generally accepted				
accounting principles			\$ 36,367,219	

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
General Fund
Year Ended December 31, 2020

BUDGETARY BASIS

Explanation of differences between budgetary revenues and other financing
sources and GAAP revenues and other financing sources

REVENUES AND OTHER FINANCING SOURCES	\$ 93,707,394
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Actual amounts (budgetary basis) of revenues and other financing
sources from the budgetary comparison schedule

Differences - budget to GAAP

Accrued sales tax and franchise tax, beginning of year	(5,957,543)
Accrued sales tax and franchise tax, end of year	6,598,503
Change in the allowance for uncollectible accounts	<u>(30,309)</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 94,318,045</u>
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See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Budgetary Comparison Schedule
Economic Development 1/2 Cent Tax Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budget	Final Budget
			Basis	Positive
				(Negative)
REVENUES				
Interest earnings	\$ 845,000	\$ 845,000	\$ 1,130,556	\$ 285,556
Rents and other revenue	805,000	805,000	1,649,649	844,649
Insurance recovery	-	-	32,206	32,206
Sales and use taxes	8,849,240	8,849,240	9,167,325	318,085
Transfer in	-	-	2,119,390	-
TOTAL REVENUES AND				
OTHER FINANCING SOURCES	<u>10,499,240</u>	<u>10,499,240</u>	<u>14,099,126</u>	<u>1,480,496</u>
EXPENDITURES AND OTHER				
FINANCING USES				
Current -				
Professional services	350,000	350,000	330,912	19,088
Programs/projects	9,949,240	50,227,858	22,304,651	27,923,207
Capital outlay	-	5,000,000	7,843,317	(2,843,317)
Transfers out	<u>1,011,000</u>	<u>1,011,000</u>	<u>1,011,000</u>	<u>-</u>
TOTAL EXPENDITURES AND				
OTHER FINANCING USES	<u>11,310,240</u>	<u>56,588,858</u>	<u>31,489,880</u>	<u>25,098,978</u>
NET CHANGE IN FUND BALANCE	(811,000)	(46,089,618)	(17,390,754)	26,579,474
FUND BALANCE, January 1	<u>811,000</u>	<u>46,089,618</u>	<u>57,227,331</u>	<u>13,257,103</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	39,836,577	<u>\$ 39,836,577</u>
Adjustment from budgetary basis to				
generally accepted accounting principles				
Notes and loans receivable, net			<u>59,541,001</u>	
Fund balance - generally accepted				
accounting principles			<u>\$ 99,377,578</u>	

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
Economic Development 1/2 Cent Tax Fund
Year Ended December 31, 2020

BUDGETARY BASIS

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

REVENUES AND OTHER FINANCING SOURCES

Actual amounts (budgetary basis) of revenues from the budgetary comparison schedule	\$ 14,099,126
Differences - budget to GAAP	
Loan payments received	(301,667)
Recoveries	<u>(405,000)</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 13,392,459</u>
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EXPENDITURES AND OTHER FINANCING USES

Actual amounts (budgetary basis) of expenditures and other financing uses from the budgetary comparison schedule	\$ 31,489,880
Differences - Budget to GAAP	
Loans made during the year	(18,312,258)
Change in the allowance for uncollectible loans	7,738
Credits awarded to loan recipients for meeting established employment targets	<u>2,767,265</u>

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u>\$ 15,952,625</u>
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See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Budgetary Comparison Schedule
HUD Grants Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budget	Final Budget
			Basis	Positive
				(Negative)
REVENUES AND OTHER				
FINANCING SOURCES				
Intergovernmental	\$ 2,000,000	\$ 2,048,532	\$ 231,224	\$ (1,817,308)
Other revenue	-	-	302,610	302,610
Transfers in	75,000	83,000	8,000	(75,000)
TOTAL REVENUES AND				
OTHER FINANCING SOURCES	2,075,000	2,131,532	541,834	(1,589,698)
EXPENDITURES AND OTHER				
FINANCING USES				
Current -				
Programs/projects	2,110,000	5,771,950	411,429	5,360,521
Capital outlay	-	(19,034)	76,472	(95,506)
Transfers out	330,000	338,000	141,325	196,675
TOTAL EXPENDITURES AND	2,440,000	6,090,916	629,226	5,461,690
OTHER FINANCING USES				
NET CHANGE IN FUND BALANCE	(365,000)	(3,959,384)	(87,392)	3,871,992
FUND BALANCE, January 1	365,000	3,959,384	1,598,121	(2,361,263)
FUND BALANCE, December 31	\$ -	\$ -	1,510,729	\$ 1,510,729
Adjustment from budgetary basis to generally accepted accounting principles				
Loans receivable			4,287,114	
Inventory of land held for resale			116,966	
Deferred inflow of resources related to grants			(629,439)	
Fund balance - generally accepted accounting principles			\$ 5,285,370	

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
HUD Grants Fund
Year Ended December 31, 2020

BUDGETARY BASIS

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

REVENUES AND OTHER FINANCING SOURCES

Actual amounts (budgetary basis) of revenues and other financing sources from the budgetary comparison schedule	\$ 541,834
Differences - budget to GAAP	
Loan payments and other revenue received	(274,680)
Deferred inflows of resources related to grants	<u>26,263</u>
GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 293,417</u>

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Notes to Required Supplementary Information
Year Ended December 31, 2020

BUDGETARY INFORMATION

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

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

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation ordinance. The City Manager may at any time transfer any unencumbered appropriated balance or portion thereof from one classification of expenditure to another within the same department, office or agency. The Council may, by resolution, transfer any unencumbered appropriated balance or portion thereof from one department, office or agency to another. City Council may amend the original adopted budget during the year by passing a new ordinance to reflect current needs. During 2020, the expenditure estimates were amended. These amendments were made in accordance with the City Charter.

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

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to preserve that portion of the applicable appropriation is employed as an extension of the formal budgetary integration in all funds.

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of the City's Proportionate Share of the Net Pension Liability
Public Employees' Retirement Association
Local Government Division Trust Fund
Year Ended December 31, 2020

	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability	3.291%	3.325%	3.273%	3.203%	3.363%	3.489%	3.626%
City's proportionate share of the net pension liability	\$ 24,068,834	\$ 41,802,332	\$ 36,442,564	\$ 43,251,422	\$ 37,046,169	\$ 31,272,221	\$ 29,839,115
City's covered payroll	\$ 22,678,872	\$ 21,812,282	\$ 20,653,640	\$ 19,420,370	\$ 19,115,117	\$ 19,119,848	\$ 19,348,785
City's proportionate share of the net pension liability as a percentage of its covered payroll	106.129%	191.646%	176.446%	222.712%	193.806%	163.559%	154.217%
Plan fiduciary net position as a percentage of the total pension liability	86.260%	75.960%	79.370%	73.600%	76.900%	88.783%	91.876%

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

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of the City's Contributions
Public Employees' Retirement Association
Local Government Division Trust Fund
Year Ended December 31, 2020

	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 2,976,285	\$ 2,877,365	\$ 2,765,672	\$ 2,618,370	\$ 2,461,991	\$ 2,421,672	\$ 2,424,221	\$ 2,452,914
Contributions in relation to the contractually required contribution	<u>2,976,285</u>	<u>2,877,365</u>	<u>2,765,672</u>	<u>2,618,370</u>	<u>2,461,991</u>	<u>2,421,672</u>	<u>2,424,221</u>	<u>2,452,914</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 23,000,841	\$ 22,678,872	\$ 21,812,282	\$ 20,653,640	\$ 19,420,370	\$ 19,115,117	\$ 19,119,848	\$ 19,348,785
Contributions as a percentage of covered payroll	12.94%	12.69%	12.68%	12.68%	12.68%	12.67%	12.68%	12.68%

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

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of the City's Proportionate Share of the Net Pension (Asset)/Liability
Fire and Police Pension Association
New Hire Fire and Police Pension Fund
Year Ended December 31, 2020

	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability (asset)	3.345%	3.464%	3.672%	3.989%	4.161%	4.395%	4.524%
City's proportionate share of the net pension liability (asset)	\$ (1,891,810)	\$ 4,379,447	\$ (5,282,751)	\$ 1,441,379	\$ (73,352)	\$ (4,960,089)	\$ (4,045,301)
City's covered payroll	\$ 24,765,030	\$ 23,013,364	\$ 21,476,338	\$ 20,416,199	\$ 20,150,739	\$ 19,763,175	\$ 19,650,362
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-7.639%	19.030%	-24.598%	7.060%	(0.364%)	(25.098%)	(20.586%)
Plan fiduciary net position as a percentage of the total pension liability	101.900%	95.200%	106.300%	98.210%	100.100%	106.800%	105.800%

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

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of the City's Contributions
Fire and Police Pension Association
New Hire Fire and Police Pension Fund
Year Ended December 31, 2020

	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 2,036,305	\$ 1,984,373	\$ 1,841,067	\$ 1,718,110	\$ 1,633,306	\$ 1,613,793	\$ 1,581,054	\$ 1,572,029
Contributions in relation to the contractually required contribution	<u>2,036,305</u>	<u>1,984,373</u>	<u>1,841,067</u>	<u>1,718,110</u>	<u>1,633,306</u>	<u>1,613,793</u>	<u>1,581,054</u>	<u>1,572,029</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 25,453,823	\$ 24,765,030	\$ 23,013,364	\$ 21,476,338	\$ 20,416,199	\$ 20,150,739	\$ 19,763,175	\$ 19,650,362
Contributions as a percentage of covered payroll	8.00%	8.01%	8.00%	8.00%	8.00%	8.01%	8.00%	8.00%

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

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Pueblo Old Hire Police Pension Fund
Year Ended December 31, 2020

Measurement Period Ended December 31,	2019	2018	2017	2016	2015	2014
Total pension liability -						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	4,307,152	4,389,303	4,635,366	4,699,710	4,564,633	4,647,773
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(2,156,977)	-	(2,388,914)	-	(1,429,499)	-
Changes in assumptions	4,081,386	-	-	-	4,313,589	-
Benefit payments, including refunds of employee contributions	<u>(5,457,839)</u>	<u>(5,510,499)</u>	<u>(5,543,482)</u>	<u>(5,571,276)</u>	<u>(5,721,421)</u>	<u>(5,789,929)</u>
Net change in total pension liability	773,722	(1,121,196)	(3,297,030)	(871,566)	1,727,302	(1,142,156)
Total pension liability - beginning	<u>60,108,283</u>	<u>61,229,479</u>	<u>64,526,509</u>	<u>65,398,075</u>	<u>63,670,773</u>	<u>64,812,929</u>
Total pension liability - ending (a)	<u>\$ 60,882,005</u>	<u>\$ 60,108,283</u>	<u>\$ 61,229,479</u>	<u>\$ 64,526,509</u>	<u>\$ 65,398,075</u>	<u>\$ 63,670,773</u>
Plan fiduciary net position -						
Contributions - employer	\$ 1,303,218	\$ 1,571,421	\$ 1,542,672	\$ 1,226,430	\$ 1,272,351	\$ 1,710,695
Contributions - employee	-	-	-	-	-	2,821
Net investment income	5,627,261	54,766	6,655,302	2,495,649	955,007	3,522,694
Benefit payments, including refunds of employee contributions	<u>(5,457,839)</u>	<u>(5,510,499)</u>	<u>(5,543,482)</u>	<u>(5,571,276)</u>	<u>(5,721,421)</u>	<u>(5,789,929)</u>
Administrative expense	<u>(23,292)</u>	<u>(27,991)</u>	<u>(21,358)</u>	<u>(78,233)</u>	<u>(73,229)</u>	<u>(89,300)</u>
Net change in plan fiduciary net position	1,449,348	(3,912,303)	2,633,134	(1,927,430)	(3,567,292)	(643,019)
Plan fiduciary net position - beginning	<u>46,042,114</u>	<u>49,954,417</u>	<u>47,321,283</u>	<u>49,248,713</u>	<u>52,816,005</u>	<u>53,459,024</u>
Plan fiduciary net position - ending (b)	<u>\$ 47,491,462</u>	<u>\$ 46,042,114</u>	<u>\$ 49,954,417</u>	<u>\$ 47,321,283</u>	<u>\$ 49,248,713</u>	<u>\$ 52,816,005</u>
City's net pension liability - ending (a) - (b)	\$ 13,390,543	\$ 14,066,169	\$ 11,275,062	\$ 17,205,226	\$ 16,149,362	\$ 10,854,768
Plan fiduciary net position as a percentage of the total pension liability	78.01%	76.60%	81.59%	73.34%	75.31%	82.95%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	\$ 99,053
City of Pueblo's net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	10,958.55%

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

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of the City's Contributions
Pueblo Old Hire Police Pension Fund
Year Ended December 31, 2020

	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,278,836	\$ 1,278,836	\$ 1,571,421	\$ 1,542,672	\$ 1,226,430	\$ 1,226,430	\$ 1,718,438
Contributions in relation to the actuarially required contribution	<u>1,278,836</u>	<u>1,278,836</u>	<u>1,571,421</u>	<u>1,542,672</u>	<u>1,226,430</u>	<u>1,272,351</u>	<u>1,710,695</u>
Contribution deficiency (excess) (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (45,921)</u>	<u>\$ 7,743</u>
City's covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	\$ 99,053
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	1,727.05%

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

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

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Pueblo Old Hire Fire Pension Fund
Year Ended December 31, 2020

Measurement Period Ended December 31,	2019	2018	2017	2016	2015	2014
Total pension liability -						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	3,243,485	3,337,740	3,426,964	3,498,913	3,434,587	3,512,883
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	932,801	-	(102,157)	-	(1,302,712)	-
Changes in assumptions	3,079,317	-	-	-	3,235,013	-
Benefit payments, including refunds of employee contributions	(4,609,831)	(4,579,672)	(4,451,570)	(4,464,644)	(4,552,205)	(4,561,272)
Net change in total pension liability	2,645,772	(1,241,932)	(1,126,763)	(965,731)	814,683	(1,048,389)
Total pension liability - beginning	45,509,711	46,751,643	47,878,406	48,844,137	48,029,454	49,077,843
Total pension liability - ending (a)	<u>\$ 48,155,483</u>	<u>\$ 45,509,711</u>	<u>\$ 46,751,643</u>	<u>\$ 47,878,406</u>	<u>\$ 48,844,137</u>	<u>\$ 48,029,454</u>
Plan fiduciary net position -						
Contributions - employer	\$ 1,523,538	\$ 1,565,925	\$ 1,545,814	\$ 1,324,595	\$ 1,299,942	\$ 1,028,768
Contributions - employee	-	-	-	-	-	2,092
Net investment income	3,900,787	42,610	4,671,464	1,755,976	674,555	2,511,258
Benefit payments, including refunds of employee contributions	(4,609,831)	(4,579,672)	(4,451,570)	(4,464,644)	(4,552,205)	(4,561,272)
Administrative expense	(26,002)	(31,654)	(26,185)	(57,923)	(55,541)	(66,952)
Net change in plan fiduciary net position	788,492	(3,002,791)	1,739,523	(1,441,996)	(2,633,249)	(1,086,106)
Plan fiduciary net position - beginning	32,014,488	35,017,279	33,277,756	34,719,752	37,353,001	38,439,107
Plan fiduciary net position - ending (b)	<u>\$ 32,802,980</u>	<u>\$ 32,014,488</u>	<u>\$ 35,017,279</u>	<u>\$ 33,277,756</u>	<u>\$ 34,719,752</u>	<u>\$ 37,353,001</u>
City's net pension liability - ending (a) - (b)	\$ 15,352,503	\$ 13,495,223	\$ 11,734,364	\$ 14,600,650	\$ 14,124,385	\$ 10,676,453
Plan fiduciary net position as a percentage of the total pension liability	68.12%	70.35%	74.90%	69.50%	71.08%	77.77%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	\$ 78,448
City of Pueblo's net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	13,609.59%

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

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of the City's Contributions
Pueblo Old Hire Fire Pension Fund
Year Ended December 31, 2020

	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,519,685	\$ 1,519,685	\$ 1,565,925	\$ 1,545,814	\$ 1,324,595	\$ 1,299,942	\$ 1,028,768
Contributions in relation to the actuarially required contribution	<u>1,519,685</u>	<u>1,519,685</u>	<u>1,565,925</u>	<u>1,545,814</u>	<u>1,324,595</u>	<u>1,299,942</u>	<u>1,028,768</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	\$ 78,448
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	1311.40%

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

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of the City's Proportionate Share
of the Other Post-Employment Benefit Amounts
Public Employees' Retirement Association
Local Government Division Trust Fund
Year Ended December 31, 2020

	2019	2018	2017	2016
City's proportion of the net OPEB liability	0.252%	0.258%	0.254%	0.246%
City's proportionate share of the net OPEB liability	\$ 2,826,922	\$ 3,510,198	\$ 3,300,984	\$ 3,189,474
City's covered payroll	\$ 22,673,097	\$ 21,806,582	\$ 20,647,940	\$ 19,414,670
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	12.468%	16.097%	15.987%	16.428%
Plan fiduciary net position as a percentage of the total OPEB liability	24.490%	17.027%	17.529%	16.716%

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

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of the City's Other Post-Employment Benefit Contributions
Public Employees' Retirement Association
Local Government Division Trust Fund
Year Ended December 31, 2020

	2020	2019	2018	2017	2016
Contractually required contribution	\$ 232,857	\$ 231,266	\$ 222,427	\$ 210,609	\$ 198,030
Contributions in relation to the contractually required contribution	<u>232,857</u>	<u>231,266</u>	<u>222,427</u>	<u>210,609</u>	<u>198,030</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 23,000,642	\$ 22,673,097	\$ 21,806,582	\$ 20,647,940	\$ 19,414,670
Contributions as a percentage of covered payroll	1.01%	1.02%	1.02%	1.02%	1.02%

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

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Changes in the City's Net Other
Post-Employment Benefit Liability and Related Ratios
Pueblo Police Unit
Year Ended December 31, 2020

Measurement Period Ended December 31,	2020	2019	2018
Total OPEB liability -			
Service cost	\$ 740,047	\$ 725,338	\$ 759,482
Interest	285,137	291,404	235,428
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(241,008)	-	-
Changes in assumptions	(1,383,690)	(215,658)	(358,105)
Benefit payments, including refunds of employee contributions	<u>(88,672)</u>	<u>(61,219)</u>	<u>(33,697)</u>
Net change in total OPEB liability	(688,186)	739,865	603,108
Total OPEB liability - beginning	<u>8,050,475</u>	<u>7,310,610</u>	<u>6,707,502</u>
Total OPEB liability - ending	<u>\$ 7,362,289</u>	<u>\$ 8,050,475</u>	<u>\$ 7,310,610</u>
Covered-employee payroll	N/A	N/A	N/A
City of Pueblo's net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A

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

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Changes in the City's Net Other
Post-Employment Benefit Liability and Related Ratios
Pueblo Fire Unit
Year Ended December 31, 2020

Measurement Period Ended December 31,	2020	2019	2018
Total OPEB liability -			
Service cost	\$ 481,675	\$ 463,733	\$ 484,285
Interest	233,771	245,650	204,747
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(473,265)	-	-
Changes in assumptions	(1,165,035)	(110,846)	(265,058)
Benefit payments, including refunds of employee contributions	<u>(217,338)</u>	<u>(171,280)</u>	<u>(97,767)</u>
Net change in total OPEB liability	(1,140,192)	427,257	326,207
Total OPEB liability - beginning	<u>6,797,012</u>	<u>6,369,755</u>	<u>6,043,548</u>
Total OPEB liability - ending	<u>\$ 5,656,820</u>	<u>\$ 6,797,012</u>	<u>\$ 6,369,755</u>
Covered-employee payroll	N/A	N/A	N/A
City of Pueblo's net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A

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

See accompanying Independent Auditor's Report.

Supplementary Information

City of Pueblo, Colorado
Explanation of Funds
December 31, 2020

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

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

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

Special Charges – This fund is used to account for the collection and disbursement of revenues received from special fees and charges to be used for specific purposes. Revenues include: E-911 telephone charges assessed against telephone lines to be used to purchase and maintain enhanced 911 equipment and related activities; a special tipping fee assessed at the Southside landfill for the purpose of monitoring environmental conditions and future remediation, if necessary; a solid waste surcharge on tipping fees at all solid waste disposal sites to be used for solid waste management purposes; and a sales tax collection fee which is restricted to the debt service of the Memorial Hall series 2011A and series 2011B bonds issued by Pueblo Urban Renewal Authority (PURA) in 2011 and 2020, along with the operations and debt service of the convention center operated by PURA.

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

Police Safety Tax – This fund is used to account for the collection of a 0.2% sales tax. The revenue is used for operating expenses and personnel cost within the Police department.

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

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

City of Pueblo, Colorado
Explanation of Funds (Cont'd.)
December 31, 2020

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

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

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

CAPITAL PROJECTS FUNDS

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

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

DEBT SERVICE FUND

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

City of Pueblo, Colorado
Explanation of Funds (Cont'd.)
December 31, 2020

Proprietary Funds

NONMAJOR ENTERPRISE FUNDS

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

Street Repair – This fund accounts for the operations of the Street Repair utility. Activities of the fund include design, construction, management, and repair of the street and road systems located with the City. All costs are financed through monthly charges to utility customers with fees set by City Council.

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

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

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

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

City of Pueblo, Colorado
Explanation of Funds (Cont'd.)
December 31, 2020

INTERNAL SERVICE FUNDS

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

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

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

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Nonmajor Governmental Funds

City of Pueblo, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	Special Revenue				
	Inter- governmental	Special Charges	Stimulus Grants	Police Safety Tax	Southpointe Special District
Assets					
Restricted cash and cash equivalents	\$ 527,265	\$ -	\$ -	\$ -	\$ -
Investments	10,326,952	3,030,899	-	-	145,883
Taxes receivable, net	-	-	-	-	24,312
Due from other funds	17,237	1,021,041	49,714	2,733,186	65
Receivable from other governments	23,232	-	-	-	-
Other receivables	21,032	470,669	-	387,989	451
Property held for resale	-	-	305,445	-	-
Prepaid items	-	-	-	12,096	-
Total assets	\$ 10,915,718	\$ 4,522,609	\$ 355,159	\$ 3,133,271	\$ 170,711
Liabilities					
Accounts payable and accrued liabilities	\$ 528,102	\$ 436,807	\$ -	\$ 668,805	\$ 1,224
Due to other funds	498	-	-	-	-
Total liabilities	528,600	436,807	-	668,805	1,224
Deferred inflows of resources	1,021,460	-	-	-	24,312
Fund balances					
Restricted	9,365,658	4,085,802	355,159	2,464,466	145,175
Assigned	-	-	-	-	-
Total fund balances	9,365,658	4,085,802	355,159	2,464,466	145,175
Total liabilities, deferred inflows of resources and fund balances	\$ 10,915,718	\$ 4,522,609	\$ 355,159	\$ 3,133,271	\$ 170,711

				Capital Projects		
Bandera Blvd. Special District	North Gateway BID	North Gateway PIF	Other Special Revenue	Historic Arkansas River Project	Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 527,265
42,538	-	-	64,628	-	-	13,610,900
36,649	-	-	-	-	-	60,961
19	17,676	20,205	186,766	169,544	-	4,215,453
-	-	-	-	-	-	23,232
225	25,833	37,129	1,956	-	-	945,284
-	-	-	-	-	-	305,445
-	-	-	-	-	-	12,096
<u>\$ 79,431</u>	<u>\$ 43,509</u>	<u>\$ 57,334</u>	<u>\$ 253,350</u>	<u>\$ 169,544</u>	<u>\$ -</u>	<u>\$ 19,700,636</u>
\$ 33	\$ 41,893	\$ 57,334	\$ 1,250	\$ -	\$ -	\$ 1,735,448
-	-	-	-	-	-	498
33	41,893	57,334	1,250	-	-	1,735,946
36,649	-	-	-	-	-	1,082,421
42,749	1,616	-	15,440	169,544	-	16,645,609
-	-	-	236,660	-	-	236,660
<u>42,749</u>	<u>1,616</u>	<u>-</u>	<u>252,100</u>	<u>169,544</u>	<u>-</u>	<u>16,882,269</u>
<u>\$ 79,431</u>	<u>\$ 43,509</u>	<u>\$ 57,334</u>	<u>\$ 253,350</u>	<u>\$ 169,544</u>	<u>\$ -</u>	<u>\$ 19,700,636</u>

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Special Revenue				
	Inter- governmental	Special Charges	Stimulus Grants	Police Safety Tax	Southpointe Special District
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 23,540
Sales and miscellaneous taxes	-	2,315,058	-	3,666,930	2,027
Intergovernmental	5,589,311	-	-	-	-
Charges for services	-	1,310,882	-	-	-
Investment earnings	109,925	38,422	-	-	1,852
Other revenues	13,655	-	-	-	-
Total revenues	5,712,891	3,664,362	-	3,666,930	27,419
Expenditures					
Current					
Public safety	60,558	264,215	-	2,563,881	-
Public works	952,838	-	-	-	-
Parks and recreation	40,980	-	-	-	18,002
Culture and community welfare	-	2,315,058	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	787,365	-	-	2,075,931	-
Total expenditures	1,841,741	2,579,273	-	4,639,812	18,002
Excess (deficiency) of revenues over (under) expenditures	3,871,150	1,085,089	-	(972,882)	9,417
Other financing sources (uses)					
Transfers in	12,000	-	-	-	-
Transfers out	(2,538,469)	(842,000)	-	(144,749)	-
Total other financing sources (uses)	(2,526,469)	(842,000)	-	(144,749)	-
Change in fund balances	1,344,681	243,089	-	(1,117,631)	9,417
Fund balance at beginning of year	8,020,977	3,842,713	355,159	3,582,097	135,758
Fund balance at end of year	\$ 9,365,658	\$ 4,085,802	\$ 355,159	\$ 2,464,466	\$ 145,175

				Capital Projects		
Bandera Blvd. Special District	North Gateway BID	North Gateway PIF	Other Special Revenue	Historic Arkansas River Project	Debt Service	Total Nonmajor Governmental Funds
\$ 21,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,743
1,822	178,772	-	-	-	-	6,164,609
-	-	-	-	-	-	5,589,311
-	-	251,716	-	-	-	1,562,598
846	-	-	7,280	-	52	158,377
-	-	-	76,986	-	-	90,641
23,871	178,772	251,716	84,266	-	52	13,610,279
-	-	-	-	-	-	2,888,654
-	169,834	239,131	-	-	-	1,361,803
51,083	-	-	199,307	-	-	309,372
-	-	-	-	-	-	2,315,058
-	-	-	-	-	3,887,638	3,887,638
-	-	-	-	-	368,605	368,605
-	-	-	-	-	-	2,863,296
51,083	169,834	239,131	199,307	-	4,256,243	13,994,426
(27,212)	8,938	12,585	(115,041)	-	(4,256,191)	(384,147)
-	-	-	-	-	4,256,191	4,268,191
-	(8,938)	(12,585)	-	-	-	(3,546,741)
-	(8,938)	(12,585)	-	-	4,256,191	721,450
(27,212)	-	-	(115,041)	-	-	337,303
69,961	1,616	-	367,141	169,544	-	16,544,966
\$ 42,749	\$ 1,616	\$ -	\$ 252,100	\$ 169,544	\$ -	\$ 16,882,269
See accompanying Independent Auditor's Report.						

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Special Revenue Funds

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Intergovernmental Fund
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 5,393,057	\$ 5,589,311	\$ 196,254
Investment earnings	20,000	109,925	89,925
Other revenues	-	13,655	13,655
Transfers in	12,000	12,000	-
TOTAL REVENUES	5,425,057	5,724,891	299,834
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	10,095,316	1,841,741	8,253,575
Transfers out	2,538,469	2,538,469	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	12,633,785	4,380,210	8,253,575
NET CHANGE IN FUND BALANCE	(7,208,728)	1,344,681	8,553,409
FUND BALANCE, January 1	7,208,728	8,020,977	812,249
FUND BALANCE, December 31	\$ -	\$ 9,365,658	\$ 9,365,658

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Charges Fund
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services	\$ 1,230,000	\$ 1,310,882	\$ 80,882
Sales and miscellaneous taxes	2,300,000	2,315,058	15,058
Investment earnings	25,000	38,422	13,422
TOTAL REVENUES	3,555,000	3,664,362	109,362
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	2,794,830	2,579,273	215,557
Transfers out	842,000	842,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	3,636,830	3,421,273	215,557
NET CHANGE IN FUND BALANCE	(81,830)	243,089	324,919
FUND BALANCE, January 1	81,830	3,842,713	3,760,883
FUND BALANCE, December 31	\$ -	\$ 4,085,802	\$ 4,085,802

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Stimulus Grants
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	49,715	-	49,715
TOTAL EXPENDITURES AND OTHER FINANCING USES	49,715	-	49,715
NET CHANGE IN FUND BALANCE	(49,715)	-	49,715
FUND BALANCE, January 1	49,715	49,715	-
FUND BALANCE, December 31	\$ -	\$ 49,715	\$ 49,715
Adjustment from budgetary basis to generally accepted accounting principles			
Inventory		305,444	
Fund balance - generally accepted accounting principles		\$ 355,159	

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Police Safety Tax
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Sales and miscellaneous taxes	\$ 3,440,778	\$ 3,666,930	\$ 226,152
TOTAL REVENUES	<u>3,440,778</u>	<u>3,666,930</u>	<u>226,152</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	2,850,222	2,563,881	286,341
Capital outlay	3,262,545	2,075,931	1,186,614
Debt service	317,657	-	317,657
Transfers out	<u>144,749</u>	<u>144,749</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>6,575,173</u>	<u>4,784,561</u>	<u>1,790,612</u>
NET CHANGE IN FUND BALANCE	(3,134,395)	(1,117,631)	2,016,764
FUND BALANCE, January 1	<u>3,134,395</u>	<u>3,582,097</u>	<u>447,702</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 2,464,466</u>	<u>\$ 2,464,466</u>

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
SouthPointe Special District
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Property and other taxes	\$ 23,891	\$ 25,567	\$ 1,676
Investment earnings	-	1,852	1,852
TOTAL REVENUES	23,891	27,419	3,528
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	139,709	18,002	121,707
TOTAL EXPENDITURES AND OTHER FINANCING USES	139,709	18,002	121,707
NET CHANGE IN FUND BALANCE	(115,818)	9,417	125,235
FUND BALANCE, January 1	115,818	135,758	19,940
FUND BALANCE, December 31	\$ -	\$ 145,175	\$ 145,175

See accompanying independent auditor's report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Bandera Blvd. Special District
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Property and other taxes	\$ 21,491	\$ 23,025	\$ 1,534
Investment earnings	-	846	846
TOTAL REVENUES	21,491	23,871	2,380
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	75,399	51,083	24,316
TOTAL EXPENDITURES AND OTHER FINANCING USES	75,399	51,083	24,316
NET CHANGE IN FUND BALANCE	(53,908)	(27,212)	26,696
FUND BALANCE, January 1	53,908	69,961	16,053
FUND BALANCE, December 31	\$ -	\$ 42,749	\$ 42,749

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
North Gateway BID
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Sales and miscellaneous taxes	\$ 230,000	\$ 178,772	\$ (51,228)
TOTAL REVENUES	<u>230,000</u>	<u>178,772</u>	<u>(51,228)</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	218,500	169,834	48,666
Transfers out	<u>11,500</u>	<u>8,938</u>	<u>2,562</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>230,000</u>	<u>178,772</u>	<u>51,228</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, January 1	<u>-</u>	<u>1,616</u>	<u>1,616</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 1,616</u>	<u>\$ 1,616</u>

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
North Gateway PIF
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services	\$ 290,000	\$ 251,716	\$ (38,284)
TOTAL REVENUES	<u>290,000</u>	<u>251,716</u>	<u>(38,284)</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	275,500	239,131	36,369
Transfers out	<u>14,500</u>	<u>12,585</u>	<u>1,915</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>290,000</u>	<u>251,716</u>	<u>38,284</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, January 1	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Other Special Revenue Fund
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Contributions/donations	\$ 205,000	\$ 76,986	\$ (128,014)
Interest earnings	15,600	7,280	(8,320)
TOTAL REVENUES	<u>220,600</u>	<u>84,266</u>	<u>(136,334)</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	391,829	199,307	192,522
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>391,829</u>	<u>199,307</u>	<u>192,522</u>
NET CHANGE IN FUND BALANCE	(171,229)	(115,041)	56,188
FUND BALANCE, January 1	<u>171,229</u>	<u>367,141</u>	<u>195,912</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 252,100</u>	<u>\$ 252,100</u>

See accompanying Independent Auditor's Report.

Capital Projects Funds

City of Pueblo, Colorado
Budgetary Comparison Schedule
Public Improvements Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budget	Final Budget
			Basis	Positive
				(Negative)
REVENUES AND OTHER				
FINANCING SOURCES				
Intergovernmental	\$ 457,400	\$ 12,987,169	\$ 9,878,746	\$ (3,108,423)
Investment earnings	-	11	121	110
Other revenue	-	539,839	306,301	(233,538)
Transfer in	1,791,000	6,267,213	6,266,588	(625)
TOTAL REVENUES AND				
OTHER FINANCING SOURCES	2,248,400	19,794,232	16,451,756	(3,342,476)
EXPENDITURES AND OTHER				
FINANCING USES				
Current -				
Programs/projects	1,018,900	27,461,462	6,218,675	21,242,787
Capital outlay	1,229,500	6,165,264	5,002,628	1,162,636
Transfers out	-	100,000	2,219,390	(2,119,390)
TOTAL EXPENDITURES AND				
OTHER FINANCING USES	2,248,400	33,726,726	13,440,693	20,286,033
NET CHANGE IN FUND BALANCE	-	(13,932,494)	3,011,063	23,628,509
FUND BALANCE, January 1	-	13,932,494	7,070,519	(23,628,509)
FUND BALANCE, December 31	\$ -	\$ -	\$ 10,081,582	\$ -
Adjustment from budgetary basis to generally accepted accounting principles				
Deferred inflows of resources related to grants			(3,336,452)	
Fund balance - generally accepted accounting principles			\$ 6,745,130	

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
Public Improvements Fund
Year Ended December 31, 2020

BUDGETARY BASIS

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

REVENUES AND OTHER FINANCING SOURCES

Actual amounts (budgetary basis) of revenues and other financing sources from the budgetary comparison schedule	\$ 16,451,756
Differences - budget to GAAP	
Deferred inflows of resources related to grants	<u>(3,946,465)</u>
GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u><u>\$ 12,505,291</u></u>

See accompanying Independent Auditor's Report.

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Debt Service Fund

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Debt Service Fund
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Investment earnings	\$ -	\$ 52	\$ 52
Transfers in	4,262,042	4,256,191	(5,851)
TOTAL REVENUES	4,262,042	4,256,243	(5,799)
EXPENDITURES AND OTHER FINANCING USES			
Debt service -			
Principal	3,887,638	3,887,638	-
Interest and fiscal charges	374,404	368,605	5,799
TOTAL EXPENDITURES AND OTHER FINANCING USES	4,262,042	4,256,243	5,799
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, January 1	-	-	-
FUND BALANCE, December 31	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report.

Enterprise Funds

City of Pueblo, Colorado
Combining Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2020

Business-type Activities - Enterprise Funds						
	Street Repair	Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	Total
Assets						
Current assets						
Cash and cash equivalents	\$ -	\$ -	\$ 800	\$ -	\$ 145,140	\$ 145,940
Accounts receivable, net	494,279	29,000	158,436	723	414	682,852
Due from other funds	2,113,492	-	69,822	1,228,124	-	3,411,438
Due from other governments	-	-	3,780,368	-	-	3,780,368
Prepaid expenses	-	-	6,836	-	16,814	23,650
Inventories	-	-	295,422	-	-	295,422
Total current assets	2,607,771	29,000	4,311,684	1,228,847	162,368	8,339,670
Noncurrent assets						
Capital assets						
Land	-	1,364,618	633,837	1,454,630	-	3,453,085
Land improvements	-	915,486	25,628	1,300,257	-	2,241,371
Infrastructure	-	-	6,785	-	-	6,785
Other improvements	-	-	210,017	-	-	210,017
Buildings	-	357,047	3,061,787	3,189,960	11,360,862	17,969,656
Machinery and equipment	-	181,848	7,449,007	198,261	-	7,829,116
Less accumulated depreciation	-	(550,143)	(8,034,850)	(1,925,442)	(1,776,805)	(12,287,240)
Intangibles	-	-	1,478	-	-	1,478
Artworks	-	-	8,823	-	-	8,823
Total capital assets	-	2,268,856	3,362,512	4,217,666	9,584,057	19,433,091
Total noncurrent assets	-	2,268,856	3,362,512	4,217,666	9,584,057	19,433,091
Total assets	2,607,771	2,297,856	7,674,196	5,446,513	9,746,425	27,772,761
Deferred outflows of resources						
OPEB-related	-	-	-	709	-	709
Pension-related	-	-	-	9,385	-	9,385
Total deferred outflows of resources	-	-	-	10,094	-	10,094
Liabilities						
Current liabilities						
Accounts payable	1,378,987	30,794	110,841	95,509	45,497	1,661,628
Accrued expenses	-	-	117,967	507	-	118,474
Accrued interest payable	-	-	-	-	-	-
Due to other funds	-	975,987	4,350,277	-	923,277	6,249,541
Advances from others	-	-	8,616	-	112,745	121,361
Compensated absences	-	-	25,825	-	-	25,825
Total current liabilities	1,378,987	1,006,781	4,613,526	96,016	1,081,519	8,176,829
Noncurrent liabilities						
Compensated absences	-	-	232,423	-	-	232,423
Advance from other funds	-	747,000	-	-	-	747,000
Net OPEB liability	-	-	-	5,670	-	5,670
Net pension liability	-	-	-	48,261	-	48,261
Total noncurrent liabilities	-	747,000	232,423	53,931	-	1,033,354
Total liabilities	1,378,987	1,753,781	4,845,949	149,947	1,081,519	9,210,183
Deferred inflows of resources						
OPEB-related	-	-	-	1,210	-	1,210
Pension-related	-	-	-	20,234	-	20,234
Total deferred inflows of resources	-	-	-	21,444	-	21,444
Net position						
Net investment in capital assets	-	2,268,856	3,362,512	4,217,666	9,584,057	19,433,091
Unrestricted	1,228,784	(1,724,781)	(534,265)	1,067,550	(919,151)	(881,863)
Total net position	\$ 1,228,784	\$ 544,075	\$ 2,828,247	\$ 5,285,216	\$ 8,664,906	\$ 18,551,228

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2020

Business-type Activities - Enterprise Funds

	Street Repair	Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	Total
Operating revenues						
Charges for services	\$ 2,922,299	\$ 19,198	\$ 299,372	\$ 195,157	\$ 311,240	\$ 3,747,266
Other revenues	5	310	104,786	-	-	105,101
Total operating revenues	2,922,304	19,508	404,158	195,157	311,240	3,852,367
Operating expenses						
Personnel services	-	-	-	8,022	-	8,022
Contractual services	77,741	5,711	4,476,097	171,598	531,869	5,263,016
Utilities	-	5,748	328,457	37,746	106,612	478,563
Repairs and maintenance	3,190,603	13,155	316,593	15,400	4,140	3,539,891
Other supplies and expenses	-	4,887	202,131	343,091	53,150	603,259
Depreciation	-	37,736	393,582	91,399	223,641	746,358
Total operating expenses	3,268,344	67,237	5,716,860	667,256	919,412	10,639,109
Operating loss	(346,040)	(47,729)	(5,312,702)	(472,099)	(608,172)	(6,786,742)
Nonoperating revenues (expenses)						
Operating grants and contributions	-	-	4,018,882	-	-	4,018,882
Gain (loss) on disposal of fixed assets	-	-	2,295	-	-	2,295
Total nonoperating revenues (expenses)	-	-	4,021,177	-	-	4,021,177
Income (loss) before transfers	(346,040)	(47,729)	(1,291,525)	(472,099)	(608,172)	(2,765,565)
Transfers in	-	9,993	1,081,078	421,046	384,531	1,896,648
Changes in net position	(346,040)	(37,736)	(210,447)	(51,053)	(223,641)	(868,917)
Net position at beginning of year	1,574,824	581,811	3,038,694	5,336,269	8,888,547	19,420,145
Net position at end of year	\$ 1,228,784	\$ 544,075	\$ 2,828,247	\$ 5,285,216	\$ 8,664,906	\$ 18,551,228

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year-Ended December 31, 2020

	Street Repair	Business-type Activities - Enterprise Funds Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	Total
Cash flows from operating activities						
Cash received from customers	\$ 2,933,044	\$ 24,008	\$ (668,750)	\$ 207,106	\$ 337,030	\$ 2,832,438
Cash payments to suppliers	(1,902,076)	(6,381)	(5,309,220)	(566,316)	(762,249)	(8,546,242)
Cash payments to employees	-	-	5,119	(54,469)	-	(49,350)
Receipts for interfund services	-	(27,620)	1,060,025	-	19,671	1,052,076
Payments for interfund services	(1,030,968)	-	-	(7,367)	-	(1,038,335)
Net cash flows from operating activities	-	(9,993)	(4,912,826)	(421,046)	(405,548)	(5,749,413)
Cash flows from non-capital financing activities						
Transfers in	-	9,993	1,081,078	421,046	384,531	1,896,648
Receipts from fund advance	-	-	8,616	-	(66,559)	(57,943)
Operating grants received	-	-	4,018,882	-	-	4,018,882
Net cash flows from non-capital financing activities	-	9,993	5,108,576	421,046	317,972	5,857,587
Cash flows from capital and related financing activities						
Proceeds from the sale of capital assets	-	-	2,295	-	-	2,295
Acquisitions of capital assets	-	-	(198,045)	-	-	(198,045)
Net cash flows from capital and related financing activities	-	-	(195,750)	-	-	(195,750)
Net increase (decrease) in cash and cash equivalents	-	-	-	-	(87,576)	(87,576)
Cash and cash equivalents at beginning of year	-	-	800	-	232,716	233,516
Cash and cash equivalents at end of year	\$ -	\$ -	\$ 800	\$ -	\$ 145,140	\$ 145,940
Reconciliation of operating loss to net cash flows from operating activities						
Operating loss	\$ (346,040)	\$ (47,729)	\$ (5,312,702)	\$ (472,099)	\$ (608,172)	\$ (6,786,742)
Adjustments to reconcile operating loss to net cash flows from operating activities:						
Depreciation	-	37,736	393,582	91,399	223,641	746,358
(Increase) decrease in operating assets:						
Accounts receivable	10,740	4,500	(1,072,908)	11,950	25,790	(1,019,928)
Due from other funds	-	-	-	(7,367)	-	(7,367)
Prepaid items	-	-	(326)	-	(1,150)	(1,476)
Inventories	-	-	9,890	-	-	9,890
Increase (decrease) in operating liabilities:						
Accounts payable and accrued expenses	1,366,268	23,120	9,613	1,518	(65,328)	1,335,191
Due to other funds	(1,030,968)	(27,620)	1,060,025	-	19,671	21,108
Net OPEB liability and related deferred inflows and outflows of resources	-	-	-	(3,947)	-	(3,947)
Net pension liability and related deferred inflows and outflows of resources	-	-	-	(42,500)	-	(42,500)
Net cash flows from operating activities	\$ -	\$ (9,993)	\$ (4,912,826)	\$ (421,046)	\$ (405,548)	(5,749,413)

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Golf Course Enterprise
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES AND OTHER			
FINANCING SOURCES			
Charges for services	\$ 2,538,065	\$ 2,561,293	\$ 23,228
Other revenues	-	3,218	3,218
	<u>2,538,065</u>	<u>2,564,511</u>	<u>26,446</u>
TOTAL REVENUES			
EXPENDITURES AND OTHER			
FINANCING USES			
Current -			
Personnel services	102,796	97,070	5,726
Contractual services	845,574	854,700	(9,126)
Utilities	558,646	481,196	77,450
Repairs and maintenance	170,303	107,915	62,388
Other supplies and expenses	303,201	283,461	19,740
Capital outlay	205,721	147,672	58,049
Debt Service -			-
Principal	330,257	330,257	-
Interest and fees	51,239	128,553	(77,314)
	<u>2,567,737</u>	<u>2,430,824</u>	<u>136,913</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES			
NET CHANGE IN FUND BALANCE	<u>\$ (29,672)</u>	<u>\$ 133,687</u>	<u>\$ 163,359</u>

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Sewer User
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 25,738,763	\$ 27,085,869	\$ 1,347,106
Interest	394,072	552,071	157,999
TOTAL REVENUES	26,132,835	27,637,940	1,505,105
EXPENDITURES AND OTHER			
FINANCING USES			
Current -			
Personnel services	5,344,150	4,672,384	671,766
Contractual services	2,438,179	1,647,408	790,771
Utilities	891,000	653,353	237,647
Repairs and maintenance	32,507,258	9,754,179	22,753,079
Other supplies and expenses	3,547,166	841,748	2,705,418
Capital outlay	3,341,226	442,772	2,898,454
Debt Service -			
Principal	1,841,488	1,841,488	-
Interest and fees	618,129	618,129	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	50,528,596	20,471,461	30,057,135
NET CHANGE IN FUND BALANCE	\$ (24,395,761)	\$ 7,166,479	\$ 31,562,240

See accompanying independent auditor's report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Stormwater Utility
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 4,400,000	\$ 4,876,189	\$ 476,189
Interest	50,000	202,080	152,080
Transfers in	-	40,180	40,180
TOTAL REVENUES	4,450,000	5,118,449	668,449
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	1,731,244	1,275,013	456,231
Contractual services	865,404	696,705	168,699
Utilities	98,000	45,963	52,037
Repairs and maintenance	488,300	100,093	388,207
Other supplies and expenses	3,530,379	98,879	3,431,500
Capital outlay	8,640,978	557,889	8,083,089
Debt Service -			
Principal	281,807	281,807	-
Interest and fees	160,447	160,447	-
Transfers out	12,000	12,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	15,808,559	3,228,796	12,579,763
NET CHANGE IN FUND BALANCE	\$ (11,358,559)	\$ 1,889,653	\$ 13,248,212

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Memorial Hall Fund
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 961,320	\$ 311,240	\$ (650,080)
Transfers in	325,000	384,531	59,531
TOTAL REVENUES	<u>1,286,320</u>	<u>695,771</u>	<u>(590,549)</u>
EXPENDITURES AND OTHER			
FINANCING USES			
Current -			
Contractual services	1,286,320	531,869	754,451
Utilities	-	106,612	(106,612)
Repairs and maintenance	-	4,140	(4,140)
Other supplies and expenses	-	53,150	(53,150)
TOTAL EXPENDITURES AND			
OTHER FINANCING USES	<u>1,286,320</u>	<u>695,771</u>	<u>590,549</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Memorial Airport Fund
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 674,396	\$ 880,605	\$ 206,209
Intergovernmental	3,236,065	6,377,143	3,141,078
Interest and other	-	3,609	3,609
Transfers in	1,416,351	348,801	(1,067,550)
TOTAL REVENUES	5,326,812	7,610,158	2,283,346
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	2,149,891	956,354	1,193,537
Contractual services	233,016	232,092	924
Utilities	376,342	365,197	11,145
Repairs and maintenance	700,032	679,353	20,679
Other supplies and expenses	173,722	695,275	(521,553)
Capital outlay	6,244,057	4,522,122	1,721,935
Transfers out	-	40,180	(40,180)
TOTAL EXPENDITURES AND OTHER FINANCING USES	9,877,060	7,490,573	2,386,487
NET CHANGE IN FUND BALANCE	\$ (4,550,248)	\$ 119,585	\$ 4,669,833

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Street Repair Fund
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 2,800,000	\$ 2,922,304	\$ 122,304
TOTAL REVENUES	<u>2,800,000</u>	<u>2,922,304</u>	<u>122,304</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Contractual services	75,000	77,741	(2,741)
Repairs and maintenance	2,631,871	3,190,603	(558,732)
Capital outlay	<u>809,747</u>	<u>-</u>	<u>809,747</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>3,516,618</u>	<u>3,268,344</u>	<u>248,274</u>
NET CHANGE IN FUND BALANCE	<u>\$ (716,618)</u>	<u>\$ (346,040)</u>	<u>\$ 370,578</u>

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Honor Farm Fund
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 48,300	\$ 19,508	\$ (28,792)
Transfers in	31,578	9,993	(21,585)
TOTAL REVENUES	<u>79,878</u>	<u>29,501</u>	<u>(50,377)</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Contractual services	5,711	5,711	-
Utilities	6,500	5,748	752
Repairs and maintenance	62,769	13,155	49,614
Other supplies and expenses	<u>4,898</u>	<u>4,887</u>	<u>11</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>79,878</u>	<u>29,501</u>	<u>50,377</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Transportation Services Fund
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 845,364	\$ 404,111	\$ (441,253)
Intergovernmental	2,886,943	4,018,882	1,131,939
Transfers in	2,399,788	1,081,078	(1,318,710)
TOTAL REVENUES	6,132,095	5,504,071	(628,024)
EXPENDITURES AND OTHER			
FINANCING USES			
Current -			
Personnel services	3,004,062	2,942,028	62,034
Contractual services	1,412,930	1,528,950	(116,020)
Utilities	434,118	327,252	106,866
Repairs and maintenance	384,687	316,593	68,094
Other supplies and expenses	593,107	203,336	389,771
Capital outlay	1,213,261	198,045	1,015,216
TOTAL EXPENDITURES AND			
OTHER FINANCING USES	7,042,165	5,516,204	1,525,961
NET CHANGE IN FUND BALANCE	\$ (910,070)	\$ (12,133)	\$ 897,937

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Parking Facilities Fund
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 280,000	\$ 195,157	\$ (84,843)
Transfers in	532,531	421,046	(111,485)
TOTAL REVENUES	812,531	616,203	(196,328)
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	138,697	54,468	84,229
Contractual services	211,530	171,598	39,932
Utilities	56,968	37,746	19,222
Repairs and maintenance	276,279	15,400	260,879
Other supplies and expenses	352,836	343,091	9,745
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,036,310	622,303	414,007
NET CHANGE IN FUND BALANCE	\$ (223,779)	\$ (6,100)	\$ 217,679

See accompanying Independent Auditor's Report.

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Internal Service Funds

City of Pueblo, Colorado
Combining Statement of Net Position
Internal Service Funds
December 31, 2020

	Internal Service Fund	Pueblo Transit	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 300	\$ -	\$ 300
Restricted cash and cash equivalents	3,396,383	-	3,396,383
Accounts receivable, net	98,734	-	98,734
Due from other funds	5,001,116	-	5,001,116
Inventories	200,325	-	200,325
Prepaid items	190,754	-	190,754
Total current assets	8,887,612	-	8,887,612
Noncurrent Assets			
Capital Assets			
Buildings	1,036,366	-	1,036,366
Machinery and equipment	1,534,888	-	1,534,888
Less accumulated depreciation	(1,751,850)	-	(1,751,850)
Total noncurrent assets	819,404	-	819,404
Total assets	9,707,016	-	9,707,016
Deferred outflows of resources			
OPEB-related	8,460	27,697	36,157
Pension-related	111,933	368,319	480,252
Total deferred outflows of resources	120,393	396,016	516,409
Liabilities			
Current liabilities			
Accounts payable	423,964	-	423,964
Accrued interest payable	1,569	-	1,569
Due to other funds	25,582	-	25,582
Compensated absences	13,003	-	13,003
Capital lease obligation	94,034	-	94,034
Claims and judgments	398,494	-	398,494
Total current liabilities	956,646	-	956,646
Noncurrent liabilities			
Compensated absences	117,031	-	117,031
Claims and judgments	70,323	-	70,323
Net OPEB liability	67,626	221,384	289,010
Net pension liability	575,565	1,893,913	2,469,478
Total noncurrent liabilities	830,545	2,115,297	2,945,842
Total liabilities	1,787,191	2,115,297	3,902,488
Deferred inflows of resources			
OPEB-related	14,433	47,248	61,681
Pension-related	241,317	794,059	1,035,376
Total deferred inflows of resources	255,750	841,307	1,097,057
Net position			
Net investment in capital assets	725,370	-	725,370
Unrestricted	7,059,098	(2,560,588)	4,498,510
Total net position	\$ 7,784,468	\$ (2,560,588)	\$ 5,223,880

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2020

	Internal Service Fund	Pueblo Transit	Total
Operating revenues			
Charges for services	\$ 16,659,047	\$ 2,939,192	\$ 19,598,239
Other operating revenues	606,570	-	606,570
Total operating revenues	17,265,617	2,939,192	20,204,809
Operating expenses			
Personnel services	833,113	3,049,392	3,882,505
Contractual services	27,368	-	27,368
Utilities	63,387	-	63,387
Repairs and maintenance	68,072	-	68,072
Other supplies and expenses	1,161,518	-	1,161,518
Insurance claims expenses	12,412,361	-	12,412,361
Depreciation	88,395	-	88,395
Total operating expenses	14,654,214	3,049,392	17,703,606
Operating income (loss)	2,611,403	(110,200)	2,501,203
Nonoperating revenues (expenses)			
Interest expense	(1,851)	-	(1,851)
Total nonoperating revenues (expenses)	(1,851)	-	(1,851)
Net income (loss) before contributions and transfers	2,609,552	(110,200)	2,499,352
Transfers in	1,100,000	-	1,100,000
Transfers out	(151,213)	-	(151,213)
Change in net position	3,558,339	(110,200)	3,448,139
Net position at beginning of year	4,226,129	(2,450,388)	1,775,741
Net position at end of year	\$ 7,784,468	\$ (2,560,588)	\$ 5,223,880

See accompanying Independent Auditor's Report.

City of Pueblo
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2020

	Internal Service Fund	Pueblo Transit	Total
Cash flows from operating activities			
Cash received from customers	\$ 17,273,638	\$ 2,939,192	\$ 20,212,830
Cash payments to suppliers	(14,285,054)	-	(14,285,054)
Cash payments to employees	(829,952)	(2,939,192)	(3,769,144)
Payments for interfund services	296,480	-	296,480
Net cash flows from operating activities	2,455,112	-	2,455,112
Cash flows from non-capital financing activities			
Transfers in	948,787	-	948,787
Net cash flows from non-capital financing activities	948,787	-	948,787
Cash flows from capital and related financing activities			
Acquisitions of capital assets	(11,771)	-	(11,771)
Principal paid on long-term debt	(92,353)	-	(92,353)
Interest paid on long-term debt	(3,392)	-	(3,392)
Net cash flows from capital and related financing activities	(107,516)	-	(107,516)
Net increase (decrease) in cash and cash equivalents	3,296,383	-	3,296,383
Cash and cash equivalents at beginning of year	100,300	-	100,300
Cash and cash equivalents at end of year	3,396,683	-	3,396,683
Reported in the accompanying statement of net position as follows:			
Cash and cash equivalents	\$ 300	\$ -	\$ 300
Restricted cash and cash equivalents	3,396,383	-	3,396,383
	\$ 3,396,683	\$ -	\$ 3,396,683

Reconciliation of operating income (loss) to net cash flows from operating activities

Operating income (loss)	\$ 2,611,403	\$ (110,200)	\$ 2,501,203
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	88,395	-	88,395
(Increase) decrease in operating assets:			
Accounts receivable	8,021	-	8,021
Due from other funds	296,480	-	296,480
Prepaid items	105,912	-	105,912
Inventories	28,214	-	28,214
Increase (decrease) in operating liabilities:			
Accounts payable and accrued expenses	(670,235)	-	(670,235)
Net OPEB liability and related deferred inflows and outflows of resources	1,910	-	1,910
Net pension liability and related deferred inflows and outflows of resources	(14,988)	110,200	95,212
Net cash flows from operating activities	\$ 2,455,112	\$ -	\$ 2,455,112

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Internal Service Fund
Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 15,328,919	\$ 17,265,617	\$ 1,936,698
Transfers in	1,100,000	1,100,000	-
TOTAL REVENUES	16,428,919	18,365,617	1,936,698
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	932,622	829,952	102,670
Contractual services	30,790	27,368	3,422
Utilities	73,797	56,862	16,935
Repairs and maintenance	70,154	68,072	2,082
Other supplies and expenses	1,784,323	1,161,518	622,805
Insurance claims expense	13,875,000	12,412,361	1,462,639
Capital outlay	13,750	11,772	1,978
Debt Service -			
Principal	98,878	98,878	-
Interest and fees	3,392	3,392	-
Transfers out	151,213	151,213	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	17,033,919	14,821,388	2,212,531
NET CHANGE IN FUND BALANCE	\$ (605,000)	\$ 3,544,229	\$ 4,149,229

See accompanying Independent Auditor's Report.

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Other Schedules

City of Pueblo
Pueblo Memorial Airport
Schedule of Passenger Facility Charge Collected and Expended
For the Year Ended December 31, 2020

	Unliquidated Passenger Facility Charge Revenue Account December 31, 2019	Passenger Facility Charge Collections	Interest Earned	Current Year Expenditures	Unliquidated Passenger Facility Charge Revenue Account December 31, 2020
Extend taxiway K, Phase II	\$ 58,296	\$ 24,476	\$ -	\$ -	\$ 82,772
Total assets	\$ 58,296	\$ 24,476	\$ -	\$ -	\$ 82,772

See accompanying Independent Auditor's Report.

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

LOCAL HIGHWAY FINANCE REPORT		City or County: PUEBLO, CO	
		YEAR ENDING : December 2020	
This Information From The Records of City of Pueblo:		Prepared By: Phone:	BRIANNE J REYES 719-553-2650

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)	5,998,396
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,837,915
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,528,220
2. General fund appropriations	1,355,737	b. Snow and ice removal	130,228
3. Other local imposts (from page 2)	2,128,414	c. Other	1,032,517
4. Miscellaneous local receipts (from page 2)	4,495,419	d. Total (a. through c.)	2,690,965
5. Transfers from toll facilities		4. General administration & miscellaneous	514,799
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,300,110
a. Bonds - Original Issues		6. Total (1 through 5)	12,342,185
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)	7,979,570	b. Redemption	
B. Private Contributions	1,277,620	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,636,902	2. Notes:	
D. Receipts from Federal Government (from page 2)	462,902	a. Interest	
E. Total receipts (A.7 + B + C + D)	13,356,994	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)	12,342,185

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
	6,170,465	13,356,994	12,342,185	7,185,274	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2020	

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	521,959	a. Interest on investments	91,482
b. Other local imposts:		b. Traffic Fines & Penalties	870,094
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	62,704	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	1,543,751	g. Other Misc. Receipts	3,533,843
6. Total (1. through 5.)	1,606,455	h. Other	
c. Total (a. + b.)	2,128,414	i. Total (a. through h.)	4,495,419
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	3,302,401	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	334,501	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	462,902
f. Total (a. through e.)	334,501	g. Total (a. through f.)	462,902
4. Total (1. + 2. + 3.f)	3,636,902	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		219,264	219,264
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		1,058,357	1,058,357
(2). Capacity Improvements		0	0
(3). System Preservation		4,658,724	4,658,724
(4). System Enhancement & Operation		62,051	62,051
(5). Total Construction (1) + (2) + (3) + (4)	0	5,779,132	5,779,132
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	5,998,396	5,998,396
			(Carry forward to page 1)

Notes and Comments:

Statistical Section

STATISTICAL SECTION

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

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	179
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, sales tax and property tax.	185
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	192
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	198
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and activities it performs.	200

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 282,143,652	\$ 300,421,948	\$ 304,720,914	\$ 310,952,995	\$ 307,415,524	\$ 322,263,921	\$ 327,352,383	\$ 322,043,078	\$ 325,157,144	\$ 339,377,854
Restricted	93,697,144	88,835,861	88,385,298	98,744,705	97,683,789	95,030,761	100,958,399	120,270,177	129,508,504	128,434,347
Unrestricted	19,596,982	11,816,144	20,453,939	(26,319,466)	(16,336,921)	(6,551,772)	(17,995,211)	(16,883,492)	(6,292,161)	(5,272,171)
Total governmental activities net position	<u>\$ 395,437,778</u>	<u>\$ 401,073,953</u>	<u>\$ 413,560,151</u>	<u>\$ 383,378,234</u>	<u>\$ 388,762,392</u>	<u>\$ 410,742,910</u>	<u>\$ 410,315,571</u>	<u>\$ 425,429,763</u>	<u>\$ 448,373,487</u>	<u>\$ 462,540,030</u>
Business-type activities										
Net investment in capital assets	\$ 134,281,593	\$ 138,568,644	\$ 157,831,233	\$ 160,736,818	\$ 162,247,604	\$ 163,146,725	\$ 167,925,273	\$ 172,737,172	\$ 177,494,464	\$ 180,487,610
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	18,277,323	19,267,977	19,818,953	12,673,300	12,270,072	18,682,525	22,701,679	30,606,807	43,731,319	53,891,778
Total business-type activities net position	<u>\$ 152,558,916</u>	<u>\$ 157,836,621</u>	<u>\$ 177,650,186</u>	<u>\$ 173,410,118</u>	<u>\$ 174,517,676</u>	<u>\$ 181,829,250</u>	<u>\$ 190,626,952</u>	<u>\$ 203,343,979</u>	<u>\$ 221,225,783</u>	<u>\$ 234,379,388</u>
Primary government										
Net investment in capital assets	\$ 416,425,245	\$ 438,990,592	\$ 462,552,147	\$ 471,689,813	\$ 469,663,128	\$ 485,410,646	\$ 495,277,656	\$ 494,780,250	\$ 502,651,608	\$ 519,865,464
Restricted	93,697,144	88,835,861	88,385,298	98,744,705	97,683,789	95,030,761	100,958,399	120,270,177	129,508,504	128,434,347
Unrestricted	37,874,305	31,084,121	40,272,892	(13,646,166)	(4,066,849)	12,130,753	4,706,468	13,723,315	37,439,158	48,619,607
Total primary government net position	<u>\$ 547,996,694</u>	<u>\$ 558,910,574</u>	<u>\$ 591,210,337</u>	<u>\$ 556,788,352</u>	<u>\$ 563,280,068</u>	<u>\$ 592,572,160</u>	<u>\$ 600,942,523</u>	<u>\$ 628,773,742</u>	<u>\$ 669,599,270</u>	<u>\$ 696,919,418</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
General government	\$ 11,663,415	\$ 11,063,544	\$ 13,800,967	\$ 9,410,359	\$ 12,471,787	\$ 13,947,968	\$ 13,327,614	\$ 16,668,126	\$ 12,234,819	\$ 18,733,185
Public safety	46,320,164	47,846,439	46,616,804	48,485,290	44,662,761	46,540,217	49,623,376	46,233,849	52,915,609	59,861,037
Public works	10,982,420	11,944,466	11,618,176	11,682,330	20,780,039	17,710,527	11,746,051	12,172,738	9,201,995	9,669,351
Culture and community welfare	9,841,081	13,253,542	11,504,623	7,905,331	8,055,195	8,548,558	7,911,436	10,041,719	10,050,263	9,608,818
Parks and recreation	5,361,632	6,372,059	5,722,667	5,719,300	5,828,170	6,897,741	7,511,512	7,891,429	6,433,296	5,383,474
Economic development	2,003,481	3,380,770	4,931,043	4,985,902	4,906,360	(845,556)	5,539,464	2,728,433	7,045,555	7,216,085
Other	-	-	-	-	-	544,756	735,897	-	-	-
Interest on long-term debt	<u>1,380,077</u>	<u>1,264,491</u>	<u>1,138,164</u>	<u>1,297,305</u>	<u>1,142,197</u>	<u>411,047</u>	<u>712,937</u>	<u>693,978</u>	<u>605,412</u>	<u>515,086</u>
Total governmental activities	<u>87,552,270</u>	<u>95,125,311</u>	<u>95,332,444</u>	<u>89,485,817</u>	<u>97,846,509</u>	<u>93,755,258</u>	<u>97,108,287</u>	<u>96,430,272</u>	<u>98,486,949</u>	<u>110,987,036</u>
Business-type activities										
Golf enterprise	\$ 2,632,292	\$ 2,750,495	\$ 2,861,233	\$ 2,911,244	\$ 2,966,262	\$ 3,100,949	\$ 2,333,926	\$ 2,566,495	\$ 2,448,996	\$ 2,362,280
Sewer user	9,124,088	11,009,307	12,506,548	12,674,302	16,540,331	12,038,544	14,625,289	17,968,821	14,030,091	19,629,035
Stormwater utility	2,730,534	3,125,968	2,896,741	2,861,912	2,896,523	7,314,843	4,707,825	3,817,259	3,138,822	2,791,233
Other business-type activities	<u>11,936,935</u>	<u>12,240,953</u>	<u>12,617,167</u>	<u>13,413,164</u>	<u>13,108,596</u>	<u>13,766,479</u>	<u>13,913,701</u>	<u>14,473,680</u>	<u>14,090,719</u>	<u>17,894,578</u>
Total business-type activities	<u>26,423,849</u>	<u>29,126,723</u>	<u>30,881,689</u>	<u>31,860,622</u>	<u>35,511,712</u>	<u>36,220,815</u>	<u>35,580,741</u>	<u>38,826,255</u>	<u>33,708,628</u>	<u>42,677,126</u>
Total primary government expenses	<u>\$ 113,976,119</u>	<u>\$ 124,252,034</u>	<u>\$ 126,214,133</u>	<u>\$ 121,346,439</u>	<u>\$ 133,358,221</u>	<u>\$ 129,976,073</u>	<u>\$ 132,689,028</u>	<u>\$ 135,256,527</u>	<u>\$ 132,195,577</u>	<u>\$ 153,664,162</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program revenue										
Governmental activities										
Permits, fees, fines and charges for services										
General government	\$ 1,851,960	\$ 1,998,698	\$ 2,036,502	\$ 2,091,671	\$ 3,537,728	\$ 3,699,562	\$ 3,915,422	\$ 4,689,123	\$ 5,199,703	\$ 5,046,435
Public safety	5,354,057	5,406,875	4,436,306	4,335,834	3,630,834	3,902,691	4,731,960	4,417,499	5,367,804	3,502,772
Public works	487,854	495,989	539,532	710,835	353,921	465,353	246,015	2,574,745	2,739,843	2,387,377
Culture and community welfare	276,516	299,675	414,365	293,731	368,223	297,828	292,396	248,563	48,922	27,930
Parks and recreation	592,114	685,329	634,639	639,218	631,889	648,325	716,149	749,193	818,555	299,602
Economic development	-	-	-	-	-	-	-	27,031	48,165	-
Operating grants and contributions	13,493,320	13,616,953	22,104,201	9,134,469	10,428,895	14,328,624	9,345,632	11,645,011	10,798,995	10,477,385
Capital grants and contributions	8,212,014	9,128,467	6,944,859	7,488,040	8,159,967	9,620,950	6,974,583	2,771,973	5,560,859	8,624,350
Total governmental activities program revenue	<u>30,267,835</u>	<u>31,631,986</u>	<u>37,110,404</u>	<u>24,693,798</u>	<u>27,111,457</u>	<u>32,963,333</u>	<u>26,222,157</u>	<u>27,123,138</u>	<u>30,582,846</u>	<u>30,365,851</u>
Business-type activities										
Charges for services										
Golf	\$ 2,118,331	\$ 2,163,333	\$ 2,140,132	\$ 2,114,228	\$ 2,227,398	\$ 2,212,471	\$ 2,178,770	\$ 2,319,896	\$ 2,287,895	\$ 2,561,293
Sewer	13,454,038	13,805,921	14,355,943	15,256,778	16,422,771	18,564,168	20,199,200	23,339,793	25,603,065	27,244,697
Stormwater	2,754,867	2,791,898	3,253,081	3,369,638	3,579,194	4,568,531	4,198,016	4,486,414	4,882,410	4,855,003
Other	5,055,394	4,756,160	4,486,419	4,929,973	4,981,018	5,306,526	5,482,730	5,055,219	8,081,390	7,277,799
Operating grants and contributions	2,033,900	2,220,825	2,050,457	2,037,268	2,008,817	7,037,900	2,732,228	9,555,991	4,219,974	5,020,738
Capital grants and contributions	8,291,358	4,811,702	20,762,845	3,828,080	2,908,184	747,707	61,883	1,430,478	136,346	5,481,170
Total business-type activities program revenue	<u>33,707,888</u>	<u>30,549,839</u>	<u>47,048,877</u>	<u>31,535,965</u>	<u>32,127,382</u>	<u>38,437,303</u>	<u>34,852,827</u>	<u>46,187,791</u>	<u>45,211,080</u>	<u>52,440,700</u>
Total primary government program revenue	<u>\$ 63,975,723</u>	<u>\$ 62,181,825</u>	<u>\$ 84,159,281</u>	<u>\$ 56,229,763</u>	<u>\$ 59,238,839</u>	<u>\$ 71,400,636</u>	<u>\$ 61,074,984</u>	<u>\$ 73,310,929</u>	<u>\$ 75,793,926</u>	<u>\$ 82,806,551</u>
Net (expense) revenue										
Governmental activities	\$ (57,284,435)	\$ (63,493,325)	\$ (58,222,040)	\$ (64,792,019)	\$ (70,735,052)	\$ (60,791,925)	\$ (70,886,130)	\$ (69,307,134)	\$ (67,904,103)	\$ (80,621,185)
Business-type activities	7,284,039	1,423,116	16,167,188	(324,657)	(3,384,330)	2,216,488	(727,914)	7,361,536	11,502,452	9,763,574
Total primary government net (expense) revenue	<u>\$ (50,000,396)</u>	<u>\$ (62,070,209)</u>	<u>\$ (42,054,852)</u>	<u>\$ (65,116,676)</u>	<u>\$ (74,119,382)</u>	<u>\$ (58,575,437)</u>	<u>\$ (71,614,044)</u>	<u>\$ (61,945,598)</u>	<u>\$ (56,401,651)</u>	<u>\$ (70,857,611)</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenue and other changes in net position										
Governmental activities										
Property taxes	\$ 11,444,707	\$ 11,908,875	\$ 12,905,041	\$ 12,719,414	\$ 12,811,986	\$ 13,403,730	\$ 13,153,309	\$ 14,627,886	\$ 14,704,878	\$ 15,225,758
Franchise and other taxes	6,178,164	6,651,168	6,557,472	7,020,223	7,210,741	7,315,083	7,483,814	7,416,964	7,449,814	6,899,005
Sales and use taxes	55,014,310	50,471,792	51,947,998	51,351,232	56,203,150	61,553,748	61,604,922	65,199,382	68,816,685	71,452,938
Payment in lieu of taxes	9,859	9,859	9,859	9,859	9,859	9,859	9,859	9,859	9,859	9,859
Unrestricted investment earnings	973,281	526,792	(99,169)	618,324	545,820	452,532	734,768	2,006,556	3,122,280	1,815,852
Miscellaneous	2,384,645	2,509,676	2,287,852	2,066,165	2,841,209	3,962,782	4,024,976	2,076,467	549,392	1,504,168
Gain/(loss) on asset exchange	-	-	-	-	-	-	-	(2,513,903)	1,041,382	113,597
Transfers	(3,137,429)	(2,948,662)	(3,018,863)	(3,464,599)	(3,503,555)	(3,925,294)	(10,910,849)	(4,401,885)	(4,846,463)	(2,233,449)
Total governmental activities	<u>72,867,537</u>	<u>69,129,500</u>	<u>70,590,190</u>	<u>70,320,618</u>	<u>76,119,210</u>	<u>82,772,440</u>	<u>76,100,799</u>	<u>84,421,326</u>	<u>90,847,827</u>	<u>94,787,728</u>
Business-type activities										
Unrestricted investment earnings	\$ 843,959	\$ 795,501	\$ 626,139	\$ 916,154	\$ 960,271	\$ 980,331	\$ 264,471	\$ 675,044	\$ 1,359,927	\$ 757,760
Miscellaneous	34,517	110,426	1,375	138	28,062	189,461	515,991	108,443	23,445	157,288
Gain/(loss) on asset exchange	-	-	-	-	-	-	78,217	170,119	149,517	241,534
Transfers	3,137,429	2,948,662	3,018,863	3,464,599	3,503,555	3,925,294	10,910,849	4,401,885	4,846,463	2,233,449
Total business-type activities	<u>4,015,905</u>	<u>3,854,589</u>	<u>3,646,377</u>	<u>4,380,891</u>	<u>4,491,888</u>	<u>5,095,086</u>	<u>11,769,528</u>	<u>5,355,491</u>	<u>6,379,352</u>	<u>3,390,031</u>
Total primary government	<u>\$ 76,883,442</u>	<u>\$ 72,984,089</u>	<u>\$ 74,236,567</u>	<u>\$ 74,701,509</u>	<u>\$ 80,611,098</u>	<u>\$ 87,867,526</u>	<u>\$ 87,870,327</u>	<u>\$ 89,776,817</u>	<u>\$ 97,227,179</u>	<u>\$ 98,177,759</u>
Change in net position										
Governmental activities	\$ 15,583,102	\$ 5,636,175	\$ 12,368,150	\$ 5,528,599	\$ 5,384,158	\$ 21,980,515	\$ 5,214,669	\$ 15,114,192	\$ 22,943,724	\$ 14,166,543
Business-type activities	11,299,944	5,277,705	19,813,565	4,056,234	1,107,558	7,311,574	11,041,614	12,717,027	17,881,804	13,153,605
Total primary government change in net position	<u>\$ 26,883,046</u>	<u>\$ 10,913,880</u>	<u>\$ 32,181,715</u>	<u>\$ 9,584,833</u>	<u>\$ 6,491,716</u>	<u>\$ 29,292,089</u>	<u>\$ 16,256,283</u>	<u>\$ 27,831,219</u>	<u>\$ 40,825,528</u>	<u>\$ 27,320,148</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 1,806,325	\$ 1,819,164	\$ 1,739,939	\$ 1,730,596	\$ 2,028,732	\$ 1,914,431	\$ 1,823,188	\$ 3,130,297	\$ 2,333,616	\$ 2,470,978
Restricted	2,600,000	2,600,000	2,600,000	2,600,000	2,900,000	2,900,000	2,700,000	2,700,000	2,761,635	2,652,189
Committed	7,669,649	7,705,629	7,689,824	7,486,408	7,657,428	7,927,638	8,540,589	11,556,425	11,018,950	9,137,317
Assigned	10,496,794	7,486,269	5,494,282	5,554,298	7,941,687	10,116,595	10,851,933	11,557,152	11,869,436	13,776,119
Unassigned	422,402	-	37,138	1,040,371	1,591,577	5,539,271	7,715,290	2,971,690	5,450,705	8,330,616
Total general fund	<u>\$ 22,995,170</u>	<u>\$ 19,611,062</u>	<u>\$ 17,561,183</u>	<u>\$ 18,411,673</u>	<u>\$ 22,119,424</u>	<u>\$ 28,397,935</u>	<u>\$ 31,631,000</u>	<u>\$ 31,915,564</u>	<u>\$ 33,434,342</u>	<u>\$ 36,367,219</u>
All other governmental funds										
Nonspendable	\$ 747,000	\$ 747,000	\$ -	\$ -	\$ -	\$ 1,359,572	\$ 747,000	\$ -	\$ 515,872	\$ -
Restricted	91,097,144	86,235,861	85,785,298	92,099,404	89,823,700	92,057,409	98,258,399	114,574,266	126,746,869	123,890,348
Committed	223,081	223,080	104,831	1,548,817	-	467,154	104,831	104,831	104,831	104,831
Assigned	5,391,471	3,025,298	3,700,909	2,814,032	4,319,768	5,548,342	1,395,994	4,570,052	4,416,849	4,295,168
Unassigned	-	-	-	-	(1,736,679)	(305,445)	(4,008)	5	-	-
Total all other governmental funds	<u>\$ 97,458,696</u>	<u>\$ 90,231,239</u>	<u>\$ 89,591,038</u>	<u>\$ 96,462,253</u>	<u>\$ 92,406,789</u>	<u>\$ 99,127,032</u>	<u>\$ 100,502,216</u>	<u>\$ 119,249,154</u>	<u>\$ 131,784,421</u>	<u>\$ 128,290,347</u>

Notes:

- (1) In FY 2011 the City implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned compared to reserved and unreserved.
- (2) The substantial increase or decrease in fund balance restricted, committed, assigned, and unassigned is explained in the Management's Discussion and Analysis (MD&A).

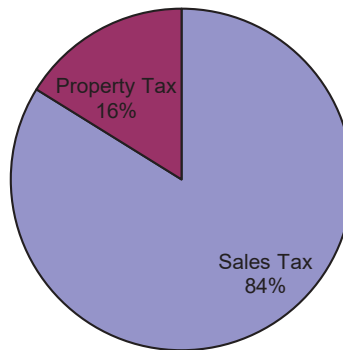
CITY OF PUEBLO, COLORADO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 71,397,662	\$ 68,749,023	\$ 70,430,187	\$ 71,910,738	\$ 76,138,538	\$ 82,317,674	\$ 81,944,382	\$ 86,873,998	\$ 91,010,857	\$ 93,612,158
Payment in lieu of taxes	9,859	9,859	9,859	9,859	9,859	9,859	9,859	9,859	9,859	9,859
Fees and fines	2,355,108	2,090,603	1,849,081	1,611,630	1,798,138	1,741,259	1,986,461	2,170,102	2,362,432	1,754,396
Licenses and permits	561,141	574,360	603,249	576,283	591,466	652,734	832,065	896,954	1,016,347	880,489
Intergovernmental	19,678,700	16,170,914	23,188,363	11,871,960	15,964,015	22,481,211	15,082,105	15,111,168	15,043,154	16,125,281
Charges for services	4,706,111	5,723,274	5,216,546	5,534,195	6,351,180	6,567,569	6,367,387	7,312,641	7,386,551	6,658,058
Investment earnings	894,162	454,207	(95,480)	540,404	477,251	391,915	682,348	1,868,791	2,975,462	1,734,784
Disposal of assets	-	-	-	-	-	-	-	-	4,120,000	-
Miscellaneous	<u>1,877,391</u>	<u>1,011,170</u>	<u>1,503,609</u>	<u>860,354</u>	<u>1,062,995</u>	<u>1,150,565</u>	<u>3,406,114</u>	<u>8,246,804</u>	<u>1,233,855</u>	<u>1,307,963</u>
Total revenues	<u>101,480,134</u>	<u>94,783,410</u>	<u>102,705,414</u>	<u>92,915,423</u>	<u>102,393,442</u>	<u>115,312,786</u>	<u>110,310,721</u>	<u>122,490,317</u>	<u>125,158,517</u>	<u>122,082,988</u>
Expenditures										
Current										
General government	9,906,695	9,757,420	9,324,677	8,775,946	9,274,465	10,326,645	15,317,582	12,765,163	13,307,287	17,353,967
Public safety	41,840,926	42,581,744	53,423,916	42,129,729	42,633,784	43,782,281	44,423,822	48,917,175	51,380,635	51,948,534
Public works	9,150,113	9,749,975	9,298,026	9,464,524	18,521,210	14,533,241	9,237,437	9,176,742	7,789,873	8,257,366
Parks and recreation	4,752,890	5,382,385	4,790,964	4,743,862	4,714,260	5,022,663	5,757,114	6,127,750	6,424,157	5,573,554
Economic development	1,720,757	3,123,621	4,698,157	5,027,462	4,659,769	(945,264)	2,344,041	2,883,995	6,949,360	7,098,308
Culture and community welfare	9,223,504	12,664,949	11,117,958	7,356,405	7,622,393	8,014,330	7,376,916	9,550,435	8,901,508	9,078,072
Other	479,457	521,614	402,110	485,078	601,143	544,756	735,897	-	-	-
Debt service										
Principal	1,998,559	2,117,410	2,536,229	2,772,040	3,206,097	3,253,445	3,970,960	3,455,274	3,818,025	3,887,638
Interest and other charges	1,333,949	1,267,515	1,204,852	1,270,723	1,138,466	1,165,287	401,897	477,666	436,517	368,605
Capital outlay	<u>8,154,482</u>	<u>16,076,440</u>	<u>8,422,405</u>	<u>3,306,401</u>	<u>6,965,445</u>	<u>14,997,703</u>	<u>11,284,170</u>	<u>9,467,488</u>	<u>6,591,814</u>	<u>15,928,111</u>
Total expenditures	<u>88,561,332</u>	<u>103,243,073</u>	<u>105,219,294</u>	<u>85,332,170</u>	<u>99,337,032</u>	<u>100,695,087</u>	<u>100,849,836</u>	<u>102,821,688</u>	<u>105,599,176</u>	<u>119,494,155</u>
Excess revenues over (under) expenditures	<u>12,918,802</u>	<u>(8,459,663)</u>	<u>(2,513,880)</u>	<u>7,583,253</u>	<u>3,056,410</u>	<u>14,617,699</u>	<u>9,460,885</u>	<u>19,668,629</u>	<u>19,559,341</u>	<u>2,588,833</u>
Other financing sources (uses)										
Proceeds from borrowing	363,503	1,173,612	2,367,868	4,200,000	-	2,776,391	1,400	-	-	-
Insurance recoveries	-	-	-	-	1,939,932	961,954	512,536	1,845,650	118,894	32,206
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	2,956,111	-	-
Sales of Capital Assets	-	-	912,533	154,692	109,500	-	-	-	-	-
Transfers in	13,256,748	10,980,219	10,267,116	9,139,517	11,082,730	9,969,269	12,926,287	12,483,656	12,344,921	16,272,488
Transfers out	<u>(17,362,999)</u>	<u>(14,453,381)</u>	<u>(13,605,669)</u>	<u>(13,473,805)</u>	<u>(16,536,285)</u>	<u>(15,326,562)</u>	<u>(18,292,859)</u>	<u>(17,922,541)</u>	<u>(17,969,111)</u>	<u>(19,454,724)</u>
Total other financing sources (uses)	<u>(3,742,748)</u>	<u>(2,299,550)</u>	<u>(58,152)</u>	<u>20,404</u>	<u>(3,404,123)</u>	<u>(1,618,948)</u>	<u>(4,852,636)</u>	<u>(637,124)</u>	<u>(5,505,296)</u>	<u>(3,150,030)</u>
Net changes in fund balances	9,176,054	(10,759,213)	(2,572,032)	7,603,657	(347,713)	12,998,751	4,608,249	19,031,505	14,054,045	(561,197)
Fund balances - beginning	<u>111,425,460</u>	<u>120,601,514</u>	<u>109,842,301</u>	<u>107,270,269</u>	<u>114,873,926</u>	<u>114,526,213</u>	<u>127,524,964</u>	<u>132,133,213</u>	<u>151,164,718</u>	<u>165,218,763</u>
Fund balances - ending	<u>\$ 120,601,514</u>	<u>\$ 109,842,301</u>	<u>\$ 107,270,269</u>	<u>\$ 114,873,926</u>	<u>\$ 114,526,213</u>	<u>\$ 127,524,964</u>	<u>\$ 132,133,213</u>	<u>\$ 151,164,718</u>	<u>\$ 165,218,763</u>	<u>\$ 164,657,566</u>
Debt service as a percentage of non-capital expenditures	4.1%	3.9%	3.9%	4.9%	4.7%	-1.2%	4.9%	4.2%	4.3%	4.1%

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

Fiscal Year	Sales and Miscellaneous Taxes	Rate	Property Tax	Rate	Total
2011	59,952,955	3.50%	11,444,707	15.633%	71,397,662
2012	56,840,148	3.50%	11,908,875	15.633%	68,749,023
2013	57,527,855	3.50%	12,902,332	15.633%	70,430,187
2014	59,191,323	3.50%	12,719,415	15.633%	71,910,738
2015	63,326,552	3.50%	12,811,986	15.633%	76,138,538
2016	68,913,944	3.50%	13,403,730	15.633%	82,317,674
2017	68,791,073	3.50%	13,153,309	15.633%	81,944,382
2017	68,791,073	3.50%	13,153,309	15.633%	81,944,382
2018	72,703,388	3.70%	14,170,610	15.633%	86,873,998
2019	76,305,979	3.70%	14,704,878	15.633%	91,010,857
2020	78,386,400	3.70%	15,225,758	15.633%	93,612,158

General Government Tax Revenue by Source



The sales and use tax rate (3.7%) consists of 3.0% general tax, 0.5% tax specifically for use in economic development, and 0.2% tax specifically for use in police operations and personnel. Sales tax is levied on all retail sales, leases, and rentals of tangible personal property on the basis of the purchase or rental price. Food purchased for preparation and consumption at home is exempt from sales tax. Prescription medications are also exempt from sales tax. Use tax is collected on purchases of items which are used in Pueblo and on which the 3.7% local sales tax has not been paid to another jurisdiction.

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	% of Total
Apparel stores	\$ 22,726,167	\$ 21,078,355	\$ 21,712,161	\$ 21,711,110	\$ 20,634,443	\$ 20,272,604	\$ 19,849,447	\$ 20,199,683	\$ 20,262,196	\$ 16,045,091	1.1%
General merchandise	269,866,690	271,614,426	269,825,995	262,641,258	268,291,882	274,049,873	276,157,293	280,947,691	284,619,889	285,142,425	15.7%
Food/drug/liquor stores	63,799,469	64,577,531	66,970,357	66,864,169	70,252,481	75,941,336	75,188,781	75,722,009	91,010,671	113,797,241	4.2%
Eating and drinking establishments	181,007,675	188,975,381	194,976,983	199,340,110	215,135,731	226,031,722	231,388,342	238,290,989	256,853,767	240,982,031	13.3%
Home furnishings and appliances	26,675,919	26,589,441	27,822,264	28,221,714	27,883,465	24,558,569	22,961,790	24,021,522	23,240,369	23,511,165	1.3%
Building materials and farm tools	128,552,869	128,914,149	138,523,216	142,638,333	166,576,091	197,116,069	206,519,526	206,330,219	215,098,681	252,934,317	11.5%
Auto dealers and supplies	121,521,485	137,163,808	145,887,947	156,434,840	184,178,841	191,997,840	192,863,562	194,916,009	212,769,712	200,343,810	10.9%
Other retail stores	215,867,314	205,612,974	210,573,040	231,554,778	242,005,604	249,292,166	306,870,709	304,706,148	320,099,986	346,001,502	17.0%
Utilities	209,678,211	233,629,333	215,875,798	225,969,757	216,905,819	232,977,413	226,557,799	205,193,579	207,638,569	196,329,184	11.4%
All other outlets	197,478,109	178,453,889	181,937,413	189,488,275	204,278,923	219,327,119	250,337,933	242,588,251	241,537,609	248,655,536	13.5%
Total	<u>\$ 1,437,173,908</u>	<u>\$ 1,456,609,287</u>	<u>\$ 1,474,105,174</u>	<u>\$ 1,524,864,344</u>	<u>\$ 1,616,143,280</u>	<u>\$ 1,711,564,711</u>	<u>\$ 1,808,695,182</u>	<u>\$ 1,792,916,100</u>	<u>\$ 1,873,131,449</u>	<u>\$ 1,923,742,302</u>	<u>100.0%</u>
City direct sales tax rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.70%	3.70%	3.70%	

CITY OF PUEBLO, COLORADO
PRINCIPAL SALES TAXPAYERS
December 31, 2020 and Nine Years Prior

Sales and Use Tax is the City's largest revenue source, producing 73.6% of the revenues for the Governmental Activities. We are prohibited by ordinance from releasing sales tax information on individual taxpayers. We are providing the following as the next best available option:

Percentage of Sales & Use Tax by Industry Code

	<u>2020</u>	<u>2011</u>
General Merchandise Stores	16%	19%
Utilities	11%	15%
Restaurants	13%	13%
Auto Sales	11%	8%
All other	49%	45%
	100%	100%

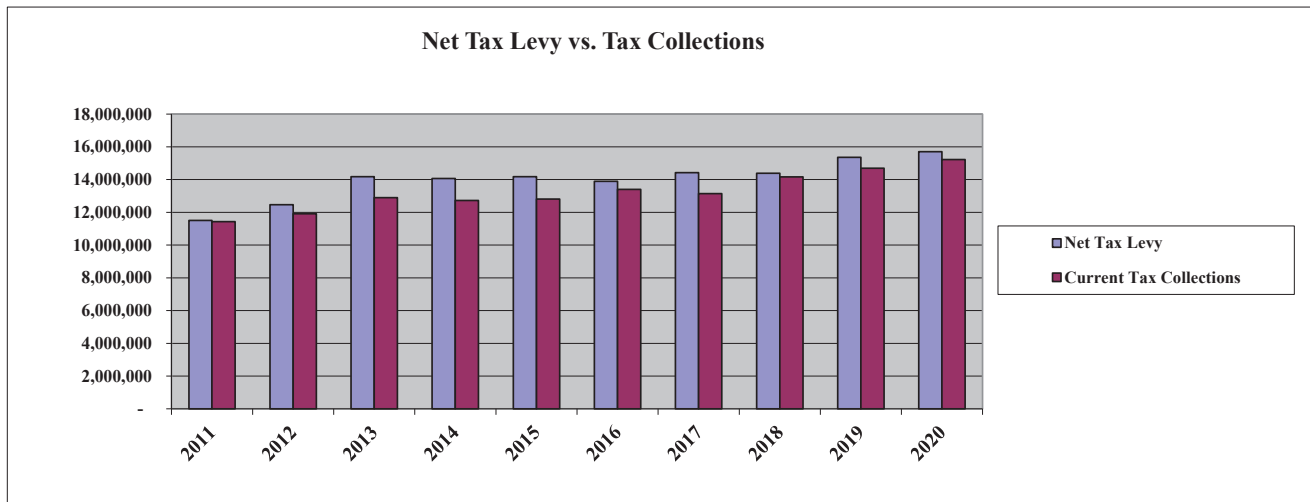
CITY OF PUEBLO, COLORADO
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	(1) Total Tax Levy	(2) Property Tax Incentive	Net Tax Levy	(3) Current Tax Collections	Percentage of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Accumulated Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2011	11,507,693	-	11,507,693	11,437,371	99.4%	7,336	11,444,707	99.5%	696,879	6.1%
2012	13,736,996	(1,266,482)	12,470,514	11,915,905	86.7%	(7,030)	11,908,875	86.7%	1,258,518	9.2%
2013	15,638,844	(1,456,623)	14,182,221	12,897,509	82.5%	4,823	12,902,332	82.5%	2,538,407	16.2%
2014	15,764,500	(1,702,707)	14,061,793	12,719,454	80.7%	(39)	12,719,415	80.7%	3,880,785	24.6%
2015	15,797,889	(1,616,337)	14,181,552	12,805,555	81.1%	6,431	12,811,986	81.1%	5,250,351	33.2%
2016	15,808,017	(1,909,472)	13,898,545	13,402,890	84.8%	840	13,403,730	84.8%	5,745,166	36.3%
2017	16,274,147	(1,853,471)	14,420,676	13,148,137	80.8%	5,172	13,153,309	80.8%	7,012,533	43.1%
2018	16,315,462	(1,929,426)	14,386,036	14,159,994	86.8%	10,616	14,170,610	86.9%	7,227,959	44.3%
2019	17,309,630	(1,947,715)	15,361,915	14,699,085	84.9%	5,793	14,704,878	85.0%	7,884,996	45.6%
2020	17,625,016	(1,916,877)	15,708,139	15,224,243	86.4%	1,515	15,225,758	86.4%	8,367,377	47.5%

(1) For consistency in computing ratios, total tax is shown net of the one percent County Treasurer's fee.

(2) Property Tax Incentives as noted in Notes to the Financial Statements

(3) Real and Property Taxes are assessed as of January 1. Taxes are due in full on April 30, or in installments with the first half due February 28 and the second half due June 15.



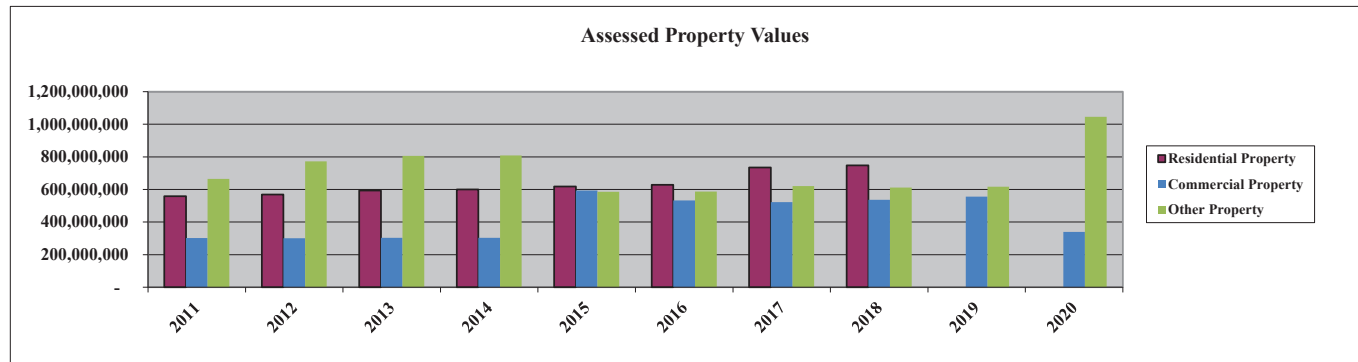
CITY OF PUEBLO, COLORADO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year	(1) Assessed Property Values				Total Taxable Assessed Value	Total Direct Tax Rate	(2) Estimated Actual Property Value	(2) Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Other Property	Less: Tax Exempt Property				
2011	592,630,631	301,583,023	664,907,749	(608,178,821)	950,942,582	15.633%	9,594,209,379	9.912%
2012	596,086,787	300,801,415	772,929,417	(608,060,262)	1,061,757,357	15.633%	9,571,359,504	11.093%
2013	558,332,627	303,331,362	806,240,212	(611,072,756)	1,056,831,445	15.633%	9,125,979,829	11.580%
2014	569,105,609	303,057,840	809,070,316	(624,842,447)	1,056,391,318	15.633%	9,196,208,127	11.487%
2015	593,217,974	593,217,974	585,647,170	(703,560,824)	1,068,522,294	15.633%	11,349,016,092	9.415%
2016	600,068,689	533,129,108	587,015,330	(661,471,649)	1,058,741,478	15.633%	11,401,118,396	9.286%
2017	618,206,460	521,701,306	621,071,702	(672,114,147)	1,088,865,321	15.633%	12,526,797,412	8.692%
2018	628,203,734	536,307,075	611,334,895	(679,537,549)	1,096,308,155	15.633%	12,682,441,752	8.644%
2019	734,181,937	555,373,749	617,220,685	(742,378,153)	1,164,398,218	15.633%	14,311,707,891	8.136%
2020	747,915,844	339,524,831	1,045,677,720	(968,720,177)	1,164,398,218	15.633%	15,234,900,867	7.643%

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

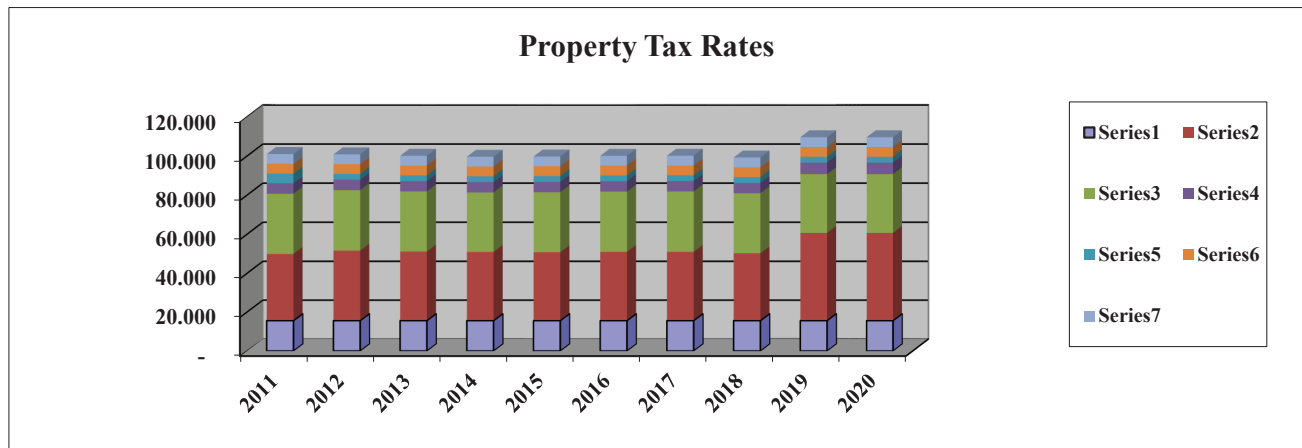
(2) Actual Property Value is the base from which assessed value is derived. Excludes State Assessed and Exempt properties.

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



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

Fiscal Year	City Direct Rate	Overlapping Rates *					
	General Operating Expenditures	School District #60	Pueblo County	Pueblo Regional Library	Bandera Blvd. Special Improvement District	Southpointe Special Improvement District	Thunder Village Metropolitan District
2011	15.633	34.324	30.872	5.268	5.000	5.000	5.000
2012	15.633	36.032	30.959	5.293	3.000	5.000	5.000
2013	15.633	35.573	30.750	5.258	3.000	5.000	5.000
2014	15.633	35.347	30.469	5.262	3.000	5.000	5.000
2015	15.633	35.234	30.710	5.255	3.000	5.000	5.000
2016	15.633	35.392	30.867	5.282	3.000	5.000	5.000
2017	15.633	35.418	30.887	5.288	3.000	5.000	5.000
2018	15.633	34.690	30.722	5.271	3.000	5.000	5.000
2019	15.633	45.110	30.088	5.865	3.000	5.000	5.000
2020	15.633	45.110	30.088	5.865	3.000	5.000	5.000



Source: Pueblo County, Colorado Abstract of Assessment

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

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

CITY OF PUEBLO, COLORADO
PRINCIPAL PROPERTY TAXPAYERS
December 31, 2020 and Nine Years Prior

Current Year					Nine Years Prior	
Rank	Taxpayer	Type of Business	2020 Assessed Valuation	Percentage of Total Assessed Valuation	Rank	2011 Assessed Valuation
1	Public Service Co. of Colorado	Natural gas utility	\$ 241,802,620	20.8%	1	\$ 182,159,710
2	Black Hills Colorado Electric	Electric utility	56,248,290	4.8%	8	6,809,880
3	Intermountain Rural Electric	Electric utility	46,740,800	4.0%	3	41,048,900
4	Black Hills Colorado IPP LLC	Electric utility	44,637,900	3.8%		
5	Vesta Towers of America Inc	Manufacturing	16,736,020	1.4%	2	49,588,726
6	Holy Cross Electric Assn Inc	Electric utility	14,015,000	1.2%	5	12,822,700
7	Vesta Towers America Inc.	Manufacturing	12,424,300	1.1%		
8	Qwest Corporation	Communications	9,020,900	0.8%	4	14,931,000
9	Parkview Medical Center Inc	Medical	7,553,890	0.6%	6	7,363,074
10	Comcast of Colorado IV LLC	Communications	5,956,750	0.5%	7	7,146,296
	Cellco Partnership FKA Verizon	Communications			9	4,560,790
	Colorado Natural Gas Inc	Natural Gas Utility			10	4,171,100
	Total 2020 property tax valuation for City of Pueblo		1,164,398,218			

Note: Ranking based upon 2020 collections of tax amounts due calculated on 2019 assessed valuation

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

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

Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Improvement Revenue Bonds	Certificates of Participation	Capital Leases	Notes Payable	Revenue Bonds	Certificates of Participation	Capital Leases	Notes Payable			
2011	4,401,456	-	18,450,359	3,512,242	-	-	-	2,064,742	30,799,208	59,228,007	1.20%	552
2012	3,653,433	-	17,805,716	4,043,444	-	-	-	3,011,827	29,301,395	57,815,815	1.07%	535
2013	2,785,621	-	17,131,073	5,441,191	-	-	-	2,593,373	28,412,296	56,363,554	1.01%	522
2014	1,887,809	-	20,621,430	4,269,151	-	-	-	2,215,303	30,768,525	59,762,218	1.07%	551
2015	955,000	-	19,496,000	3,113,841	-	-	-	1,826,850	28,812,128	54,203,819	0.99%	495
2016	-	-	19,798,176	4,103,178	-	-	-	1,427,643	27,030,037	52,359,034	0.92%	484
2017	-	-	17,119,784	3,176,780	-	-	-	1,886,471	25,218,973	47,402,008	0.83%	439
2018	-	-	14,494,093	5,186,741	-	-	-	1,521,508	30,428,428	51,630,770	0.83%	465
2019	-	-	11,810,165	3,961,942	-	-	-	1,206,420	28,266,108	45,244,635	0.68%	400
2020	-	-	9,066,703	2,725,413	-	-	-	878,572	26,066,940	38,737,628	0.57%	341

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

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

General Bonded Debt Outstanding							
Fiscal Year	General Obligation Bonds	Capital Improvement Revenue Bonds	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Actual Property Value	Per Capita
2011	4,401,456	-	4,401,456	-	4,401,456	0.05%	41.02
2012	3,653,433	-	3,653,433	-	3,653,433	0.04%	33.83
2013	2,785,621	-	2,785,621	-	2,785,621	0.03%	25.78
2014	1,887,809	-	1,887,809	-	1,887,809	0.02%	17.41
2015	955,000	-	955,000	-	955,000	0.01%	8.73
2016	-	-	-	-	-	0.00%	-
2017	-	-	-	-	-	0.00%	-
2018	-	-	-	-	-	0.00%	-
2019	-	-	-	-	-	0.00%	-
2020	-	-	-	-	-	0.00%	-

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

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

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

CITY OF PUEBLO, COLORADO
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL
ACTIVITIES DEBT
December 31, 2020

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Pueblo	Amount Applicable to City of Pueblo
Direct debt	\$ 11,792,116	100%	\$ 11,792,116
Total direct debt	<u>\$ 11,792,116</u>		<u>\$ 11,792,116</u>
Overlapping entities:			
Board of Water Works	\$ 21,545,000	0.0%	\$ -
Pueblo County Debt	99,597,300	0.0%	-
School District #60 Debt	220,850,000	0.0%	-
Total overlapping debt	<u>\$ 341,992,300</u>		<u>\$ -</u>
 Total direct and overlapping debt	 <u>\$ 353,784,416</u>		 <u>\$ 11,792,116.00</u>

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

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

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

		<u>Legal Debt Margin Calculation for Fiscal Year 2020</u>
Assessed value - 2020 for 2021 taxes		\$ 1,184,110,973
Debt limitation - Ten percent of total assessed value		118,411,097
Total applicable debt	\$ -	
Less amount available for repayment of general obligation bonds	<u>-</u>	
Total net debt applicable to limitation		<u>-</u>
Legal debt margin		<u><u>\$ 118,411,097</u></u>

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 95,094,258	\$ 106,175,736	\$ 105,683,145	\$ 105,639,132	\$ 106,852,229	\$ 105,874,148	\$ 108,886,532	109,630,816	116,439,822	118,411,097
Total net debt applicable to limit	<u>4,420,000</u>	<u>3,600,000</u>	<u>2,750,000</u>	<u>1,870,000</u>	<u>955,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 90,674,258</u>	<u>\$ 102,575,736</u>	<u>\$ 102,933,145</u>	<u>\$ 103,769,132</u>	<u>\$ 105,897,229</u>	<u>\$ 105,874,148</u>	<u>\$ 108,886,532</u>	<u>\$ 109,630,816</u>	<u>\$ 116,439,822</u>	<u>\$ 118,411,097</u>
Total net debt applicable to the limit as a percentage of debt limit	4.65%	3.39%	2.60%	1.77%	0.89%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

Wastewater Revenue Bonds/Note Payable						
Fiscal Year	Wastewater Enterprise Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage
2011	13,454,038	8,490,428	4,963,610	1,421,994	767,306	2.27
2012	13,805,921	10,295,374	3,510,547	1,427,577	783,180	1.59
2013	14,355,943	11,841,284	2,514,659	1,459,821	743,771	1.14
2014	15,256,778	11,933,996	3,322,782	1,488,061	738,217	1.49
2015	16,422,771	15,749,124	673,647	1,509,723	766,065	0.30
2016	18,564,168	11,282,404	7,281,764	1,782,091	687,615	2.95
2017	20,199,200	13,982,956	6,216,244	1,740,826	718,050	2.53
2018	23,348,419	17,226,423	6,121,996	1,840,155	616,494	2.49
2019	25,627,644	13,442,245	12,185,399	1,803,923	661,333	4.94
2020	27,089,707	19,285,580	7,804,127	1,836,971	618,129	3.18

- (1) Wastewater Revenue Bonds were retired early. The debt was refunded by a note payable to the Colorado Water Resources and Power Development Authority Water Pollution Control Revolving Fund (WPRF) Loan Program.

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

Stormwater Note Payable						
Fiscal Year	Stormwater Enterprise Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	4,490,107	3,730,797	759,310	44,467	1,083	16.67
2019	4,882,679	2,988,295	1,894,384	278,004	128,162	4.66
2020	4,855,097	2,683,549	2,171,548	281,807	160,448	4.91

- (1) The debt is a note payable to the Colorado Water Resources and Power Development Authority Water Pollution Control Revolving Fund (WPRF) Loan Program.

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

Fiscal Year	(1) Population	(2) Personal Income (in thousands)	(3) Per Capita Income	(4) Median Age	(5) Percentage of High School Graduates	(6) School Enrollment	(7) Unemployment Rate
2011	107,297	4,946,411	30,701	37.6	85.6	17,877	11.2%
2012	107,994	5,380,177	33,288	37.7	86.2	18,296	11.6%
2013	108,073	5,554,502	34,423	38.0	84.7	18,564	10.5%
2014	108,423	5,566,811	34,037	37.4	85.7	18,518	8.1%
2015	109,412	5,449,642	33,666	37.7	85.5	17,665	5.0%
2016	108,073	5,698,107	34,831	37.4	85.3	17,299	4.2%
2017	108,385	5,968,790	36,148	37.3	85.7	16,910	4.8%
2018	111,127	6,198,065	37,231	37.5	86.1	16,900	5.8%
2019	113,116	6,619,192	39,511	38.3	86.1	15,592	3.6%
2020	113,679	6,851,552	40,680	38.4	82.6	14,644	8.2%

Sources:

- (1) 2009: Colorado State Demography Office
2010: U.S. Census Bureau
2011: Colorado State Demography Office
2012: Extrapolation of 2010-2011 growth trend. 2012 estimates from Colorado State Demography Office not available.
2018: U.S. Census Bureau, estimates are interpolation and extrapolation of 2000 and 2010 Census data.
- (2) U. S. Bureau of Economic Analysis: Pueblo County (City of Pueblo only not available)
2012 is estimate, based on 2010-2011 growth rate
- (3) U.S. Bureau of Economic Analysis: Pueblo County (City of Pueblo only not available)
2012 is estimate, based on 2010-2011 growth rate
- (4) Estimates are interpolation and extrapolation of 2000 and 2010 Census data.
- (5) Estimates are interpolation and extrapolation of 2000 Census data and 2010 American Community Survey data.
- (6) Colorado Dept. of Education (derived from annual census of School District No. 60 schools)
http://www.cde.state.co.us/index_stats.htm
- (7) U. S. Department of Labor, Bureau of Labor Statistics

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

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Parkview Hospital Medical Center	2,424	1	3.0%	2,352	2	5.4%
Pueblo City Schools (School District No. 60)	1,759	2	2.2%	2,478	1	5.7%
School District No. 70	1,107	3	1.4%	1,100	5	2.5%
Pueblo County	1,099	4	1.4%	1,150	4	2.7%
Walmart*	1,075	5	1.3%	1,265	3	2.9%
Evraz Rocky Mountain Steel	1,064	6	1.3%			0.0%
St Mary-Corwin Medical Ctr	771	7	1.0%			
City of Pueblo	704	8	0.9%	647	10	1.5%
Convergys	700	9	0.9%	685	9	1.6%
Target Corp (Distribution & Store)	700	9	0.9%			
Vestas Tower America Inc.	680	10	0.9%			
Rocky Mountain Steel Mills				1,035	7	2.4%
St. Mary Corwin Hospital				1,058	6	2.4%
Colorado Mental Health Institute				1,000	8	2.3%
Total	<u>12,083</u>		<u>15.1%</u>	<u>12,770</u>		<u>29.5%</u>
Pueblo County resident employment	79,911			43,319		

*Includes all stores and management in Pueblo County

*Includes Wal-Mart located in Pueblo West

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
City manager's office	6.00	6.00	6.00	6.00	6.00	6.00	6.00	4.00	-	-
Mayor's office	-	-	-	-	-	-	-	-	4.00	8.00
Municipal court	9.00	9.00	9.00	10.00	10.00	10.00	10.00	11.00	11.00	14.00
City clerk's office	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Human resources	6.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	7.00
Finance	18.00	18.00	18.00	18.00	20.00	20.00	22.00	22.00	22.00	25.00
Civil service	3.00	3.00	3.00	3.00	6.00	5.00	2.00	2.00	2.00	5.00
Law	6.00	6.00	6.00	6.00	7.00	7.00	8.00	8.00	8.00	8.00
Information technology	15.75	15.75	15.75	15.75	16.00	18.00	18.00	19.00	19.00	18.00
Planning/comm dev	16.00	16.00	12.00	12.00	14.00	14.00	14.00	14.00	14.00	12.00
Purchasing	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Housing/comm svcs	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Fleet maintenance	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Police	266.00	268.00	271.00	271.00	273.00	274.00	299.50	299.50	299.50	299.50
Fire	143.00	143.00	140.00	140.00	140.00	140.00	145.00	145.00	145.00	146.00
Public works	75.00	74.00	74.00	74.00	74.00	74.00	72.00	72.00	72.00	75.00
Parks and recreation	37.75	38.00	38.00	38.00	38.00	39.00	39.50	39.00	39.00	42.50
Business-type activities:										
Wastewater utility	50.50	51.50	52.50	52.50	56.50	57.50	56.50	59.50	59.50	60.00
Stormwater utility	18.50	18.50	19.50	19.50	19.50	19.50	19.50	20.00	20.00	19.00
Memorial airport	11.00	11.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	13.00
Parking facilities	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Honor Farm properties	1.00	2.00	1.00	1.00	1.00	-	-	-	-	-
Total	<u>705.50</u>	<u>709.75</u>	<u>707.75</u>	<u>709.75</u>	<u>723.00</u>	<u>726.00</u>	<u>754.00</u>	<u>757.00</u>	<u>757.00</u>	<u>778.00</u>

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Number of arrests	3,739	3,671	3,758	3,981	4,257	4,530	4,656	4,544	4,567	3,246
Number of traffic violations	5,832	7,102	7,498	6,798	5,200	6,085	6,982	7,124	9,996	6,654
Number of parking violations	10,015	9,576	8,545	7,804	7,113	7,576	9,200	9,377	7,505	4,344
Fire										
Number of fire calls answered	4,698	4,797	5,246	5,708	6,651	7,183	2,265	578	465	518
Number of medical responses	11,656	11,894	12,921	14,113	15,367	16,596	14,765	14,890	14,714	14,848
Number of inspections	2,716	3,924	2,869	1,540	1,534	2,066	2,302	1,352	1,637	840
Parks and recreation										
Aquatics participants	54,013	45,449	34,381	40,093	42,808	37,075	46,445	52,278	53,633	21,116
Adult athletics participants	725	1,290	825	735	630	540	690	815	864	540
Youth athletics participants	2,047	1,764	1,581	1,883	1,941	1,627	1,487	1,601	1,966	316
Playground/Open gym participants	500	639	116	139	215	42	-	-	-	-
Tennis participants	3,095	152	1,025	892	296	381	295	372	437	167
Elmwood golf course										
Golf rounds played	64,059	64,398	26,898	25,078	26,701	59,952	59,347	60,602	57,186	62,049
Walkingstick golf course										
Golf rounds played	28,040	30,798	27,714	25,388	27,423	27,558	26,775	25,815	24,991	30,884
Wastewater utility										
Number of sanitary sewer service connections	37,976	37,595	37,595	37,524	37,819	37,958	37,976	37,976	38,694	38,966
Daily average wastewater treatment in gallons	10,200,000	10,136,000	10,136,000	10,136,000	11,740,000	11,640,000	11,360,000	10,300,000	10,700,000	10,650,000
Maximum daily wastewater treatment capacity in gallons	19,000,000	17,320,000	17,320,000	17,320,000	13,290,000	13,776,000	16,568,000	12,240,000	15,000,000	12,700,000
Memorial airport										
Enplanements	21,197	9,417	6,182	6,386	3,114	2,298	3,697	10,512	12,396	5,324
Air traffic control tower operations	156,466	165,876	146,807	142,524	170,865	168,563	176,595	196,269	221,173	151,961
Pueblo Transit										
Ridership	1,046,480	1,094,391	995,589	1,009,852	993,404	903,046	877,227	861,728	831,954	496,555
Number of days service operated	307	307	307	307	307	308	299	307	309	307
Parking facilities										
Parking permits sold	5,561	5,498	5,020	4,317	3,355	4,756	3,814	3,240	3,686	1,748

* Aquatics programs for 2009 were managed by a contracted entity

Sources: Various city departments.

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	98	97	102	73	68	64	62	78	75	75
Number of other police vehicles	106	106	96	125	125	140	148	163	152	154
Fire										
Number of stations	11	11	12	10	10	10	10	10	10	10
Public Works										
Miles of paved streets maintained	479	479	491	492	486	496	498	498	500	502
Miles of gravel streets maintained	6	6	6	6	6	6	6	6	6	6
Miles of alleys maintained	102	102	102	102	102	102	102	103	104	105
Parks and recreation										
Number of parks	127	127	127	127	127	127	127	127	119	119
Number of acres of parks	835	3950	3406	3406	3406	3950	4434	4425	4486	4486
Number of playgrounds	46	47	47	47	47	47	47	42	42	42
Number of acres of playgrounds	24	24	24	24	24	24	24	24	24	24
Number of swimming pools	4	4	4	4	4	4	4	4	4	4
Number of tennis courts	21	27	27	27	27	27	27	27	27	27
Elmwood golf course										
Golf courses - 18 hole	1	1	1	1	1	1	1	1	1	1
Golf courses - 9 hole	1	1	1	1	1	1	1	1	1	1
Walkingstick golf course										
Golf courses - 18 hole	1	1	1	1	1	1	1	1	1	1
Wastewater utility										
Miles of sanitary sewers	466	467	467	468	468	464	464	464	466	468
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Stormwater utility										
Miles of storm sewers	116	117	118	118	118	118	119	168	171	173
Pueblo Transit										
Vehicles used in maximum service:										
Fixed Route	14	14	14	14	14	13	13	13	13	13
Citi-Lift	11	11	11	11	11	11	11	12	11	11

Sources: Various city departments.

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