

City of Pueblo, Colorado is pleased to present its annual comprehensive financial report for the year ending December 31, 2021 in .pdf format.

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CITY OF PUEBLO, COLORADO ANNUAL COMPREHENSIVE FINANCIAL REPORT

For fiscal year ending December 31, 2021



city of

PUEBLO
colorado

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CITY OF PUEBLO, COLORADO
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2021

Prepared by:

Department of Finance

CITY OF PUEBLO, COLORADO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2021

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Introductory Section

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September 30, 2022

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, 2021, 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.

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

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 111,925 in 2020.

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 111,925, 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. The City of Pueblo had seen slow but steady growth prior to the COVID-19 pandemic. During 2020, the City was able to maintain that growth with sales and use tax growing by 3.6%. The City experienced record growth in 2021 with sales and use tax growing by 27.7%. This growth was fueled by record consumer spending, and an influx of various stimulus programs

on the Federal, State, and local level. In addition, the City has seen an increase in business license applications and online sales tax remittances during 2021.

Critical economic development projects are currently in process with more on the horizon. All these projects will leave a positive and lasting impact on Pueblo economic growth in the years to come. Pueblo School District broke ground on two new high schools during 2021 and there are plans for three new elementary schools as well. EVRAZ steel mill began their \$500 million rail mill expansion project during 2021, with the assistance of incentives from the City's ½ tax fund. CS Wind purchased Vestas tower manufacturing plant and plans to build towers for all wind generation companies in the United States. These projects are helping to grow the economic boom in Pueblo and ensure the success of our bright future.

Development in the City of Pueblo has also seen a significant increase. During 2021, 52 new subdivision applications were approved. These subdivisions included 38 residential, 9 commercial and 5 industrial applications. These approved subdivisions will add 320.94 acres, 52 lots, and 10 parcels to City of Pueblo. Approval of these new subdivisions will bring new housing, commercial and industrial opportunities to Pueblo. This growth continues with new subdivision applications continuing to be reviewed during 2022.

Unlike most metropolitan areas and special districts in Colorado, the City of Pueblo has an abundant water supply that will support sustained residential and commercial growth. As surrounding communities are required to restrict growth because of inadequate water supplies we expect Pueblo will continue to develop.

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 2021, long-term financial planning involved the review of remaining debt agreements for future projects such as the construction of three new fire stations and the consolidation of city office space. The City was able to acquire land for three of the new stations and continues to work with Pueblo County on the consolidation city office space project. During 2021, the City was able to reduce outstanding debt in governmental activities by \$11.6 million. This reduction will put the City in firm footing to support any new debt that will need to be issued for these much-needed new Fire Stations.

During 2021, City of Pueblo voters approved ballot issue 2A. This ballot issue effectively deburrows the City of Pueblo in perpetuity and allows for excess Tabor funds to be used for road repairs. These additional funds will allow the City to fix roads and continue to grow in the years to come.

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 Rubin Brown 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, 2020. This was the 44th 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. The City's Chief of Staff, Laura Solano, was able to assist the Finance staff through the 2021 audit as we continue our search for our Finance Director and should be commended for her dedication. 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 Rubin Brown 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,



Nicholas A. Gradisar
Mayor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pueblo
Colorado**

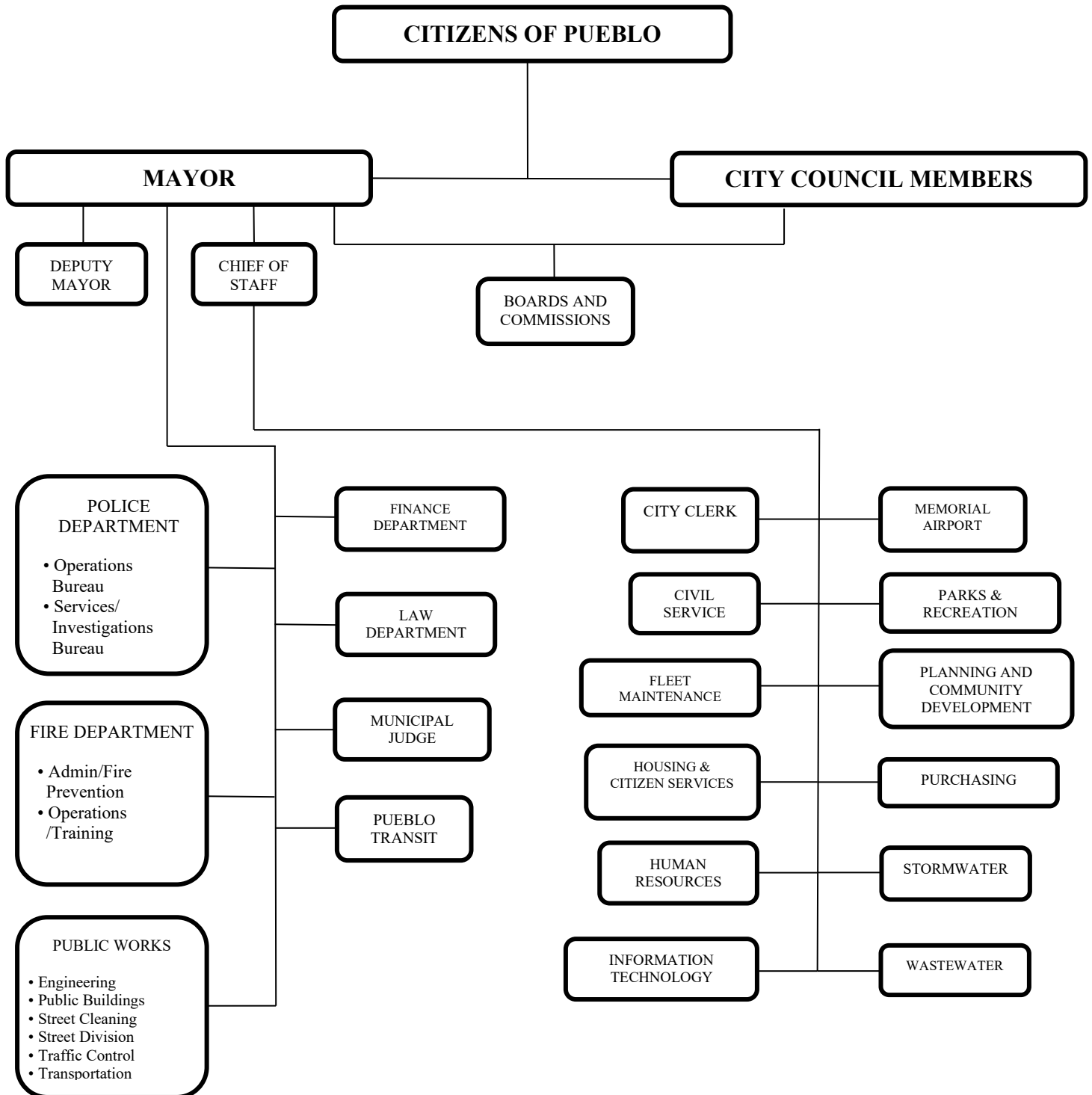
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART





**CITY OF PUEBLO
COLORADO**

**2021
ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

COUNCIL PRESIDENT

Lawrence W. Atencio

COUNCIL MEMBERS

Ray Aguilera

Mark Aliff

Dennis Flores

Ed Brown

Bob Schilling

Lori Winner

MAYOR

Nicholas A. Gradisar

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Financial Section

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Independent Auditors' Report

Mayor and 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 City of Pueblo, Colorado (the City), as of and for the year ended December 31, 2021, 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 reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City as of December 31, 2021, 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. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pueblo Urban Renewal Authority, is based solely on the reports of 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 Auditors' 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.

Emphasis Of Matter

Correction Of An Error In Previously Issued Financial Statements

As discussed in Note III-L, the beginning fund balances of the HUD grant, public improvement, intergovernmental, and sewer user funds, along with the net position of the governmental and business-type activities, have been restated to correct two misstatements. Our opinion is not modified with respect to this matter. As part of our audit of the financial statements, we also audited the adjustments described in Note III-L that were applied to restate the beginning balances. In our opinion, such adjustments were appropriate and have been properly applied.

Responsibilities Of Management For The Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 for twelve (12) months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 19, budgetary comparison schedules on pages 129 through 135, the City's required pension and OPEB schedules on pages 136 through 147, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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, and other auditors, have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

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 fund financial statements and schedules, the Local Highway Finance Report and the Schedule of Passenger Facility Charges Collected and Expended are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 by us and other auditors. In our opinion, the combining and individual fund financial statements and schedules, the Schedule of Passenger Facility Charges Collected and Expended and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022 on our consideration of the City'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 the City's internal control over financial reporting and compliance.

RubinBrown LLP

September 30, 2022

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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, 2021. 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 show that the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2021, by \$745.5 million (net position), \$496.4 million in governmental activities and \$249.1 million in business-type activities. The City's net position increased by \$49.5 million or 7.1% as a result of current year activity.

The General Fund, the City's primary operating fund, ended 2021 with a \$53.2 million fund balance, an increase of \$16.8 million. Of this amount, \$11.2 million or 12% 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 \$15.7 million and expenditures including transfers out increased by \$1.8 million in 2021. The increase in revenues was large due to a record increase in Sales and use tax collections in 2021.

The City's total long-term debt decreased by \$16.6 million during the current year. 62.9% 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 \$745.5 million at December 31, 2021. This net position is an increase from 2020 and is due to both significant increases in assets because of record revenue collections and significant decreases in liabilities due to Pension and OPEB obligations. By far, the largest portion of the City's net position (71.3%) reflects its investment of \$531.8 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, \$148.3 million (20.0%) represents resources that are subject to restrictions as to how they may be used. The unrestricted net position in total shows a surplus of \$65.4 million, however it is important to note that the governmental activities unrestricted fund balance only shows a surplus of \$6.2 million, and the \$59.2 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, 2021, and 2020:

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2021	2020 Restated	2021	2020 Restated	2021	2020 Restated
Current and other assets	\$ 266,730,340	\$ 207,862,264	\$ 78,482,751	\$ 68,307,187	\$ 345,213,091	\$ 276,169,451
Capital assets	349,567,236	350,587,908	209,070,136	207,433,122	558,637,372	558,021,030
Total assets	616,297,576	558,450,172	287,552,887	275,740,309	903,850,463	834,190,481
Deferred outflows of resources	23,882,981	24,218,533	2,398,610	1,442,191	26,281,591	25,660,724
Current and other liabilities	26,720,813	5,652,508	4,342,558	4,738,314	31,063,371	10,390,822
Long-term liabilities outstanding	66,816,904	78,481,136	30,942,466	35,868,686	97,759,370	114,349,822
Total liabilities	93,537,717	84,133,644	35,285,024	40,607,000	128,822,741	124,740,644
Deferred inflows of resources	50,230,566	36,047,571	5,551,323	3,063,677	55,781,889	39,111,248
Net position						
Net investment in capital assets	341,913,274	339,377,854	189,923,492	187,045,170	531,836,766	526,423,024
Restricted	148,301,923	128,434,347	-	-	148,301,923	128,434,347
Unrestricted	6,197,077	(5,324,711)	59,191,658	46,466,653	65,388,735	41,141,942
Total net position	\$ 496,412,274	\$ 462,487,490	\$ 249,115,150	\$ 233,511,823	\$ 745,527,424	\$ 695,999,313

The City's total net position increased by \$49.5 million in 2021. As noted earlier, this change is due to both increased total assets and a decrease in Pension and OPEB liabilities. Some other notable changes include a \$6.2 million increase in charges for services and a \$19.4 million increase in Sales and Use Taxes. Governmental Activities had increases in charges for services due to a Public Utilities Commission approved increase to E911 fees and increased parks and recreations activity after many COVID-19 lockdowns were lifted. 53% of the increase in charges for services is largely due to increased Sewer User Fees that are discussed later in Business Type activities. The decrease in Capital Grants and contributions is largely due to completion of several capital grants project during 2020 including 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 \$22.9 million.

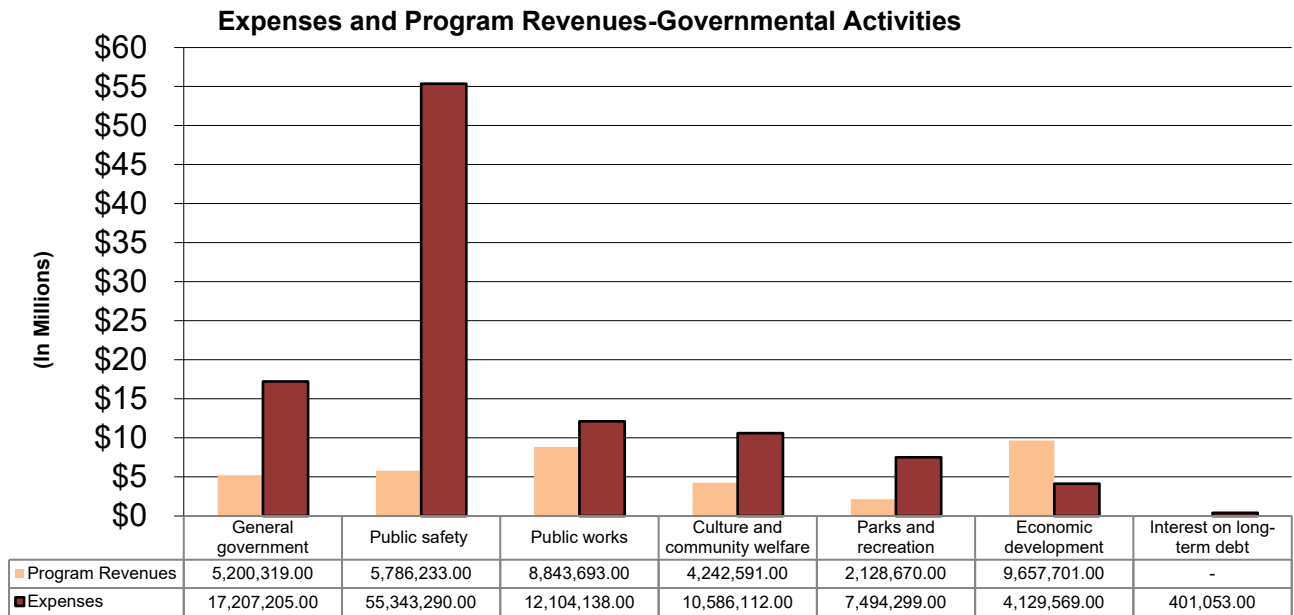
Changes in net position. The following table reflects the City's changes in net position for the years ended December 31, 2021, and 2020:

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2021	2020	2021	2020	2021	2020
Revenue:						
Program revenues:						
Charges for services	\$ 14,198,178	\$ 11,264,116	\$ 45,059,607	\$ 41,745,753	\$ 59,257,785	\$ 53,009,869
Operating grants and contributions	16,034,406	10,477,385	4,394,179	5,213,777	20,428,585	15,691,162
Capital grants and contributions	5,626,623	8,624,350	2,192,490	5,481,170	7,819,113	14,105,520
General revenues:						
Property taxes	15,352,779	15,181,015	-	-	15,352,779	15,181,015
Special property taxes	60,114	44,743	-	-	60,114	44,743
Franchise and other taxes	7,466,929	6,899,005	-	-	7,466,929	6,899,005
Sales and use taxes	90,929,645	71,452,938	-	-	90,929,645	71,452,938
Payment in lieu of taxes	9,859	9,859	-	-	9,859	9,859
Investment earnings	17,832	1,815,852	(287,989)	757,760	(270,157)	2,573,612
Other	(3,345,992)	1,617,765	227,702	398,822	(3,118,290)	2,016,587
Total revenues	<u>146,350,373</u>	<u>127,387,028</u>	<u>51,585,989</u>	<u>53,597,282</u>	<u>197,936,362</u>	<u>180,984,310</u>
Expenses:						
General government	17,207,205	18,733,185	-	-	17,207,205	18,733,185
Public safety	55,343,290	59,861,037	-	-	55,343,290	59,861,037
Public works	12,104,138	9,669,351	-	-	12,104,138	9,669,351
Culture and community welfare	10,586,112	9,608,818	-	-	10,586,112	9,608,818
Parks and recreation	7,494,299	5,383,474	-	-	7,494,299	5,383,474
Economic development	4,129,569	7,216,085	-	-	4,129,569	7,216,085
Interest on long-term debt	401,053	515,086	-	-	401,053	515,086
Golf enterprise	-	-	2,578,104	2,362,280	2,578,104	2,362,280
Sewer user	-	-	17,163,902	19,629,035	17,163,902	19,629,035
Stormwater utility	-	-	3,739,876	2,791,233	3,739,876	2,791,233
Memorial airport	-	-	4,025,565	4,618,679	4,025,565	4,618,679
Street repair	-	-	2,504,157	3,268,344	2,504,157	3,268,344
Honor Farm	-	-	76,878	64,626	76,878	64,626
Transportation Services	-	-	6,094,649	5,312,093	6,094,649	5,312,093
Parking Facilities	-	-	605,636	662,032	605,636	662,032
Memorial Hall	-	-	1,399,902	919,412	1,399,902	919,412
Pueblo Transit	-	-	2,953,916	3,049,392	2,953,916	3,049,392
Total expenses	<u>107,265,666</u>	<u>110,987,036</u>	<u>41,142,585</u>	<u>42,677,126</u>	<u>148,408,251</u>	<u>153,664,162</u>
Increase in net position before transfers	39,084,707	16,399,992	10,443,404	10,920,156	49,528,111	27,320,148
Transfers out, net	(5,159,923)	(2,233,449)	5,159,923	2,233,449	-	-
Increase in net position	<u>33,924,784</u>	<u>14,166,543</u>	<u>15,603,327</u>	<u>13,153,605</u>	<u>49,528,111</u>	<u>27,320,148</u>
Net position beginning of year, as restated	462,487,490	448,320,947	233,511,823	220,358,218	695,999,313	668,679,165
Net position end of year	<u>\$ 496,412,274</u>	<u>\$ 462,487,490</u>	<u>\$ 249,115,150</u>	<u>\$ 233,511,823</u>	<u>\$ 745,527,424</u>	<u>\$ 695,999,313</u>

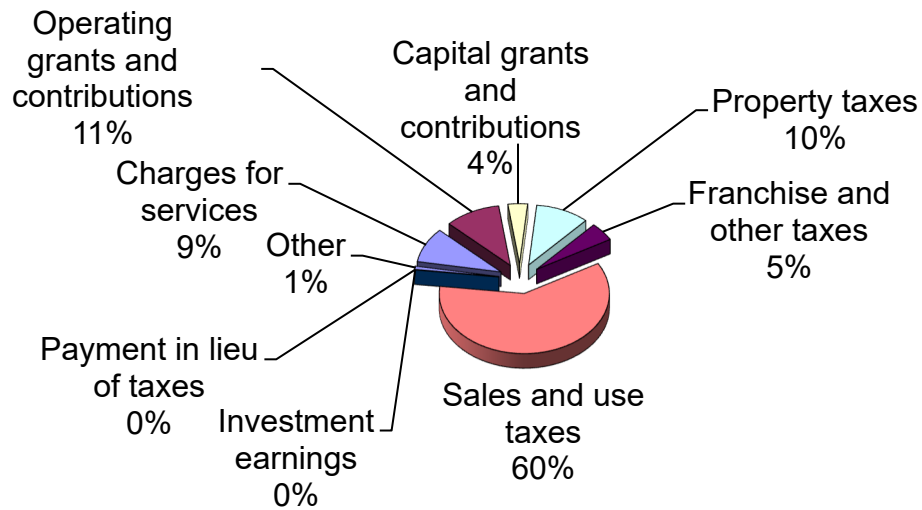
Governmental activities increased the City's net position by \$33.9 million, accounting for 68.5% of the City's \$49.5 million overall increase in net position. Key elements of the increase are as follows:

Property tax and sales and use taxes totaled 72.7% of all governmental activities' revenues. Property taxes increased \$172 thousand in 2021, while sales and use taxes, increased by \$19.5 million. Operating grants and contributions increased \$5.5 million in 2021, while capital grants and contributions decreased by \$3.0 million.

Total expenses decreased by approximately \$3.7 million. This decrease is due large expenditures that occurred in 2020 including a \$6.5 million Federal Cares Act allocation.



Revenues by Source-Governmental Activities

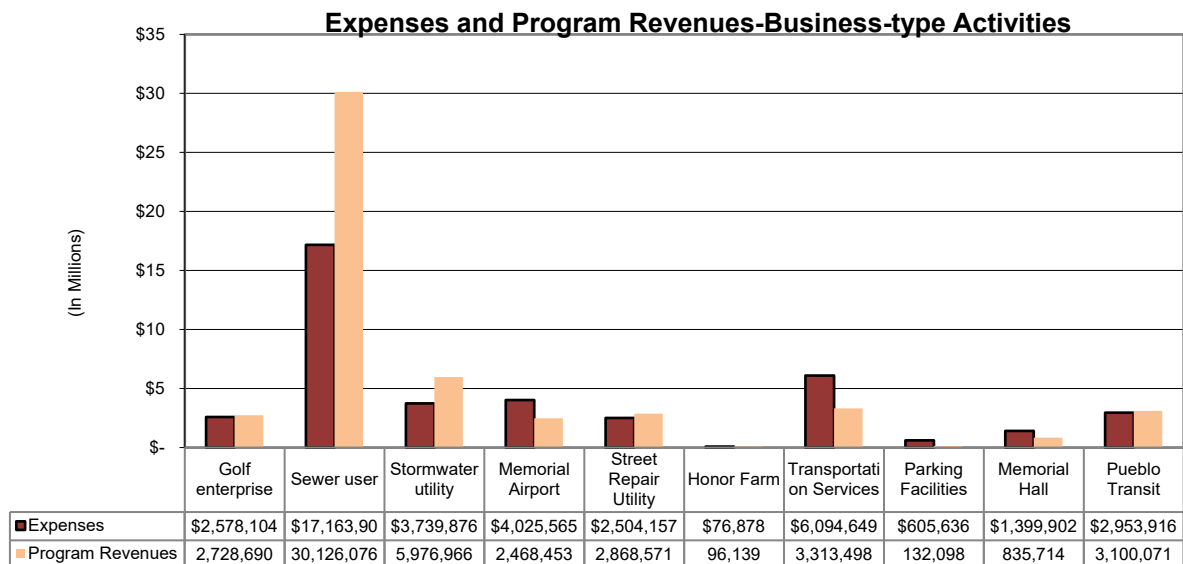


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Business-type activities increased the City's net position by \$15.6 million, accounting for 31.5% of the City's \$49.5 million overall increase in net position. Key elements of the increase are as follows:

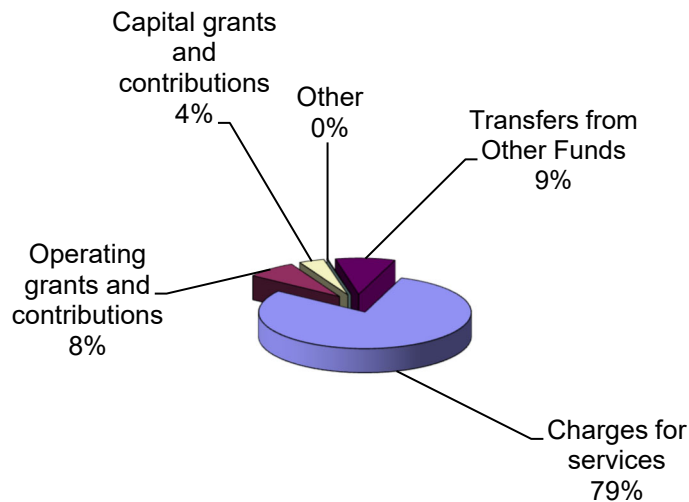
Total revenues were \$51.6 million, \$2.0 million less than in 2020. Some of the notable changes include: Operating grants and contributions decreased by \$820 thousand, capital grants and contributions decreased by \$3.3 million, while charges for services saw an increase of \$3.3 million. The increase in charges for services is largely 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 decrease in Capital Grants and contributions was discussed earlier in this document and due to several capital projects that were completed in 2020.

Total business-type expenses totaled \$41.1million in 2021, a decrease of \$1.5 million as compared to the prior year. This decrease is largely due to decreased expenditures in Sewer User Fund. Sewer User expenses decreased by \$2.7 million. During 2020, Sewer User expenses had increased due to Selenium Reduction projects and the Elizabeth Sanitary Sewer Projects. Those projects did not carry over in 2021 or were completed. Stormwater Utility expenses showed little fluctuation with a marginal increase of \$948 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, 2021, the total Governmental fund balances were \$196.4 million, an increase of \$31.5 million from the prior year as restated. Approximately 72.0% or \$141.4 million of the total fund balance are funds that are restricted for particular purposes which includes \$3.4 million for the TABOR emergency reserve. 100% of the \$108.9 million in the Economic Development Fund is restricted due to voter constraints. The City Council committed \$11.2 million of fund balance as a minimum reserve for unanticipated emergencies. The General Fund unassigned fund balance was \$28.0 million as of year-end. Additional information is contained in the notes to the financial statements, **Note III-K**.

The General Fund is the City's chief operating fund. As of December 31, 2021, the total fund balance was \$53.2 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 \$11.2 million and the fund balance assigned intended for specific purposes was \$8.0 million. The committed fund balance is a City Council designated reserve of 12% 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 year-end sales and use tax receivables. During the 2022 budget process, \$4,228 of fund balance was assigned to cover 2022 expenditures. This small assignment was necessary to balance the General Fund expenses after several adjustments were made to appropriations through the budget review process. There was \$28.0 million of unassigned fund balance as of December 31, 2021. The General Fund increased by \$16.8 million in 2021. This increase is largely due record collection of Sales and Use tax. Sales and miscellaneous tax in 2021 saw a \$20.0 million dollar increase. This increase is due to several factors including an economic rebound from COVID-19, increased consumer spending due to Federal stimulus payments, and increased business licenses applications.

Total General Fund revenues, including transfers in of \$4.0 million, increased by \$15.7 million or 16.6%. Property Taxes increased \$172 thousand, Sales and Miscellaneous Taxes increased by \$15.8 million while Intergovernmental Charges decreased by \$652 thousand and Charges for services increased by \$537 thousand.

Total General Fund expenditures, including transfers out of \$12.1 million, increased by \$1.8 million or 1.9%.

The Economic Development Fund is a major fund of the City. As of December 31, 2021, the total fund balance was \$108.9 million and increased by \$9.5 million from 2020. Total revenue increased by \$1.5 million from the previous year. This increase is due to the increased Sales and Use Tax collections. Total expenditures decreased by \$10.6 million from the prior year. During 2021, there was a large expenditure of \$15 million to EVRAZ for an employee contract. This transaction is the basis for the large decrease, with normal economic employment contracts being expended during 2021.

The HUD Grants Fund is another major fund of the City. As of December 31, 2021, the total fund balance was \$4.7 million and decreased by \$516 thousand from 2020.

The Public Improvements Fund, as of December 31, 2021, had a total fund balance of \$9.8 million, which increased by \$3.7 million from the prior year. This fund has large changes from year to year in fund balance as the revenue stream depends on intergovernmental grants received for capital projects. In 2021, expenditures increased by \$1.1 million from the previous year. The fund activity included revenue

and transfers in of \$16.0 million, an increase of \$3.5 million from 2020. This increase is largely due to the State and Local Fiscal Recovery Funds that were allocated to the City of Pueblo through the United State Treasury. Current year expenditures and transfer out totaled \$12.3 million.

Proprietary Funds

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

The Sewer User Fund's Operating revenues increased by \$2.3 million in 2021 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 \$300 thousand increase in operating revenues in 2021.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. The final budget appropriations were \$2.7 million higher than the original budget appropriations. The General Fund required additional funding of \$27,000 for a Regional Strategic Housing Market Assessment, \$25,000 for emergency housing rehabilitation assistance, \$100,000 to purchase land for new Fire stations, \$215,130 for a grant match for a FTA CARES grant, \$1,019,580 for a Future Transit Facility and \$1.3 million for the West 18th Street extension.

Final budget compared to actual. Total revenues were \$20.2 million more than estimated. Tax revenue was approximately \$18.8 million more than estimated. Licenses and Permit, Intergovernmental, Charges for services, Fines and forfeits and other revenue were \$1.2 million more than estimated.

The variance between actual expenditures and the final budget was \$5.1 million in unspent appropriations. The decreased expenditures were primarily due to a large number of personnel vacancies across all departments as recruiting and maintain employees during the COVID-19 pandemic remained challenging for all industries.

The 2021 adopted General Fund budget projected that \$7.1 million in reserves would be needed to balance the 2021 budget. After additional appropriations were made during the year the final projected use of reserves was projected to be \$9.8 million. At the end of 2021, the General Fund ended up with an excess of \$15.5 million in revenue. This excess eliminated the need to use the General Fund reserves during 2021.

On a comparative basis with the 2021 Adopted Budget, ending fund balance, was projected to be approximately \$17.3 million with a fund balance available for future appropriation of \$5.1 million. The most indicative metric for the improvement of the 2021 results compared to 2020, 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 69% of all general taxes. On a comparative basis to 2020, sales and use tax revenue improved from 2019, by 3.6%. For 2021, compared to 2020, sales and use tax revenues improved by 27.7%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2021	2020	2021	2020	2021	2020
Land and nondepreciable assets	\$ 101,848,828	\$ 100,998,247	\$ 4,552,112	\$ 4,525,351	\$ 106,400,940	\$ 105,523,598
Land improvements	56,055,061	54,524,139	63,545,783	58,837,259	119,600,844	113,361,398
Infrastructure	200,317,919	195,518,932	107,378,400	105,379,303	307,696,319	300,898,235
Buildings	74,035,878	79,910,930	92,086,199	83,515,087	166,122,077	163,426,017
Machinery and equipment	50,133,413	51,374,423	24,038,029	23,224,854	74,171,442	74,599,277
Other improvements	-	-	26,398,937	26,398,937	26,398,937	26,398,937
Construction in progress	6,389,764	2,544,806	4,357,940	13,247,085	10,747,704	15,791,891
Accumulated depreciation	(139,213,627)	(134,283,569)	(113,287,264)	(107,694,754)	(252,500,891)	(241,978,323)
	<u>\$ 349,567,236</u>	<u>\$ 350,587,908</u>	<u>\$ 209,070,136</u>	<u>\$ 207,433,122</u>	<u>\$ 558,637,372</u>	<u>\$ 558,021,030</u>

Capital Assets. The City of Pueblo's investment in capital assets for its governmental and business-type activities at December 31, 2021, net of accumulated depreciation, totaled \$558.6 million, a \$616 thousand increase from 2020.

Major changes to capital assets during the 2021 fiscal year included the following:

Governmental Activities:

Additions to land improvements:

Lake Minnequa Park \$1.5 million

Less: Donation of 350 Keeler Parkway \$5.2 million

Additions to Infrastructure:

Santa Fe and 1st Street Signal \$1 million

Subdivision donations \$3.2 million

Additions to construction in progress in the governmental activities include:

Arkansas River Levee Trail \$2.2 million

Lake Minnequa Park \$1.7 million

Santa Fe and 1st Street Signal \$1 million

Less: Capitalization of Lake Minnequa Park (\$2.3 million)

Capitalization of Santa Fe and 1st Street Signal (\$1 million)

Business-type Activities:

Additions to land improvements:

Airport Wildlife Perimeter Fence \$4.7 million

Additions to buildings:

Wastewater Process Improvements \$8.5 million

Additions to Infrastructure:

Subdivision donations \$1.7 million

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

29th Street Stormwater Pump Station \$ 2.8 million

Less: Wastewater Process Improvements (\$8.5 million)

Airport Wildlife Perimeter Fence (\$4.7 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, 2021, the City had total debt outstanding of \$97.8 million, a decrease of \$16.6 million over 2020.

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2021	2020	2021	2020	2021	2020
Compensated Absences	5,197,709	5,609,617	811,910	881,562	6,009,619	6,491,179
Notes payable	-	-	23,816,351	26,066,940	23,816,351	26,066,940
Capital lease obligations	1,459,994	2,725,413	537,425	878,572	1,997,419	3,603,985
Accrued Interest Payable	64,482	137,997	303,798	337,214	368,280	475,211
Claims and Judgements	1,559,216	468,817	-	-	1,559,216	468,817
Certificates of participation	6,262,381	9,066,703	-	-	6,262,381	9,066,703
Net Pension Liability	36,683,634	45,486,235	4,804,530	6,895,368	41,488,164	52,381,603
Net Post Employment Benefit Obligation	15,589,488	14,986,354	668,452	809,030	16,257,940	15,795,384
Total	\$ 66,816,904	\$ 78,481,136	\$ 30,942,466	\$ 35,868,686	\$ 97,759,370	\$ 114,349,822

All debt balances decreased during the year due to normal payments on obligations. The City acquired no new debt during the year 2021 and the only increase in long term debt was due to Claims and Judgements. This increase is due to an actuarially determined loss reserve for self-insured workmen's compensation claims. The largest decrease of \$10.4 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 2022 budget. The 2022 budget was prepared while the City of Pueblo amidst the COVID-19 global pandemic. The historic budget was prepared to represent and reflect the changes in the City of Pueblo. These changes included record sales tax collections, construction of 5 new schools. In addition, the city was seeing increased homebuilding activity and EVRAZ Rocky Mountain Steel commenced a \$500,000,000 expansion. The budget was prepared with the commitment to provide sustainable, high-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's 3.179% increase in sales and use tax, over the estimated actual amount for 2021, was in reasonable in relation to 2021 record collections. Estimated property tax revenue was projected to increase 23.15% over the estimated actual amount for 2021. The increase was largely due to expiring tax abatement agreements. Property taxes were estimated based on property valuations provided by the Pueblo County Assessor's Office.

The 2022 General Fund appropriation for expenditures (excluding transfers-out) is \$8.1 million more than the 2021 revised budget. These increased expenditures are indicative of the goal to provide services to the community with our dedicated work force. This includes making employment opportunities competitive to recruit and retain top talent. This includes entering into multi-year collective bargaining agreements to help manage foreseeable costs more effectively.

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, 2021

	Primary Government			Discretely-Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	Pueblo Urban Renewal Authority	Pueblo Municipal Rail Corporation
Assets					
Cash and cash equivalents	\$ 16,412,543	\$ 326,073	\$ 16,738,616	\$ 2,119,544	\$ -
Restricted cash and cash equivalents	5,551,199	-	5,551,199	3,841,369	-
Investments	124,832,507	76,193,700	201,026,207	-	-
Restricted investments	-	-	-	41,077,564	-
Receivables, net	92,640,737	7,771,095	100,411,832	7,707,522	-
Internal balances	15,022,727	(15,022,727)	-	-	-
Due from other governmental agencies	3,852,923	2,154,335	6,007,258	-	-
Inventories	309,479	801,201	1,110,680	274,288	-
Property held for resale	422,413	-	422,413	-	-
Net pension asset	6,882,083	-	6,882,083	-	-
Prepaid expenses	803,729	32,514	836,243	-	-
Unspent debt proceeds held by trustee	-	6,226,560	6,226,560	-	-
Capital assets					
Land, improvements, intangibles, and construction in progress	108,238,592	8,910,052	117,148,644	1,574,744	529,620
Other capital assets, net of accum. depreciation	241,328,644	200,160,084	441,488,728	44,821,552	2,807,480
Total capital assets	349,567,236	209,070,136	558,637,372	46,396,296	3,337,100
Total assets	616,297,576	287,552,887	903,850,463	101,416,583	3,337,100
Deferred outflows of resources					
Deferred amounts on refunding	388,041	-	388,041	1,290,865	-
Pension-related	23,265,637	2,304,639	25,570,276	222,799	-
OPEB-related	229,303	93,971	323,274	17,194	-
Total deferred outflows of resources	23,882,981	2,398,610	26,281,591	1,530,858	-
Liabilities					
Accounts payable and accrued expenses	9,866,033	4,083,469	13,949,502	5,817,469	-
Advances from others	16,854,780	259,089	17,113,869	14,249,087	-
Long-term liabilities					
Due within one year	5,568,482	3,031,009	8,599,491	4,421,878	2,024,029
Due in more than one year	61,248,422	27,911,457	89,159,879	120,589,874	627,378
Total liabilities	93,537,717	35,285,024	128,822,741	145,078,308	2,651,407
Deferred inflows of resources					
Property taxes	19,225,158	-	19,225,158	6,224,203	-
Other revenue	893,471	-	893,471	-	-
Pension-related	25,793,286	5,301,263	31,094,549	376,014	-
OPEB-related	4,318,651	250,060	4,568,711	15,599	-
Total deferred inflows of resources	50,230,566	5,551,323	55,781,889	6,615,816	-
Net position					
Net investment in capital assets	341,913,274	189,923,492	531,836,766	16,751,557	1,219,564
Restricted for					
Pension asset	6,882,083	-	6,882,083	-	-
Tabor	3,440,722	-	3,440,722	-	-
Economic development	108,925,588	-	108,925,588	-	-
District projects	-	-	-	516,076	-
Capital projects	4,951,865	-	4,951,865	-	-
Public safety	6,076,602	-	6,076,602	-	-
Public works	11,152,622	-	11,152,622	-	-
Parks and recreation	1,509,339	-	1,509,339	-	-
Culture and community welfare	5,363,102	-	5,363,102	-	-
Unrestricted	6,197,077	59,191,658	65,388,735	(66,014,316)	(533,871)
Total net position	\$ 496,412,274	\$ 249,115,150	\$ 745,527,424	\$ (48,746,683)	\$ 685,693

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

City of Pueblo, Colorado
Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 17,207,205	\$ 5,008,695	\$ 142,373	\$ 49,251
Public safety	55,343,290	4,958,265	614,670	213,298
Public works	12,104,138	3,085,205	4,375,655	1,382,833
Culture and community welfare	10,586,112	248,087	3,954,504	40,000
Parks and recreation	7,494,299	765,327	-	1,363,343
Economic development	4,129,569	132,599	6,947,204	2,577,898
Interest on long-term debt	401,053	-	-	-
Total governmental activities	107,265,666	14,198,178	16,034,406	5,626,623
Business-type activities				
Golf enterprise	2,578,104	2,728,690	-	-
Sewer user	17,163,902	29,334,131	-	791,945
Stormwater utility	3,739,876	5,002,157	-	974,809
Memorial airport	4,025,565	603,700	1,439,017	425,736
Street repair	2,504,157	2,868,547	24	-
Honor farm	76,878	96,139	-	-
Transportation services	6,094,649	358,360	2,955,138	-
Parking facilities	605,636	132,098	-	-
Memorial Hall	1,399,902	835,714	-	-
Pueblo Transit	2,953,916	3,100,071	-	-
Total business-type activities	41,142,585	45,059,607	4,394,179	2,192,490
Total primary government	\$ 148,408,251	\$ 59,257,785	\$ 20,428,585	\$ 7,819,113
Component Units				
Pueblo Urban Renewal Authority	\$ 69,040,689	\$ 1,527,548	\$ 328,131	\$ 149,000
Pueblo Municipal Rail Corporation	101,815	-	-	-
Total component units	\$ 69,142,504	\$ 1,527,548	\$ 328,131	\$ 149,000
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/(loss)				
Gain/(loss) on asset exchange				
Miscellaneous				
Transfers				
Transfers - capital assets				
Total general revenues and transfers				
Change in net position				
Net position, January 1, as originally reported				
Prior period adjustments				
Net position, January 1, as restated				
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
\$ (12,006,886)	\$ -	\$ (12,006,886)		
(49,557,057)	-	(49,557,057)		
(3,260,445)	-	(3,260,445)		
(6,343,521)	-	(6,343,521)		
(5,365,629)	-	(5,365,629)		
5,528,132	-	5,528,132		
(401,053)	-	(401,053)		
(71,406,459)	-	(71,406,459)		
-	150,586	150,586		
-	12,962,174	12,962,174		
-	2,237,090	2,237,090		
-	(1,557,112)	(1,557,112)		
-	364,414	364,414		
-	19,261	19,261		
-	(2,781,151)	(2,781,151)		
-	(473,538)	(473,538)		
-	(564,188)	(564,188)		
-	146,155	146,155		
-	10,503,691	10,503,691		
(71,406,459)	10,503,691	(60,902,768)		
			\$ (67,036,010)	\$ -
			-	(101,815)
			\$ (67,036,010)	\$ (101,815)
15,352,779	-	15,352,779	6,633	-
60,114	-	60,114	5,125,183	-
7,466,929	-	7,466,929	-	-
90,929,645	-	90,929,645	7,819,447	-
9,859	-	9,859	-	-
17,832	(287,989)	(270,157)	(47,175)	-
(4,645,829)	(20,319)	(4,666,148)	(28,885)	-
1,299,837	248,021	1,547,858	8,871	70,000
(5,071,170)	5,071,170	-	-	-
(88,753)	88,753	-	-	-
105,331,243	5,099,636	110,430,879	12,884,074	70,000
33,924,784	15,603,327	49,528,111	(54,151,936)	(31,815)
462,540,030	234,379,388	696,919,418	5,405,253	717,508
(52,540)	(867,565)	(920,105)	-	-
462,487,490	233,511,823	695,999,313	5,405,253	717,508
\$ 496,412,274	\$ 249,115,150	\$ 745,527,424	\$ (48,746,683)	\$ 685,693

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

City of Pueblo, Colorado
Balance Sheet
Governmental Funds
December 31, 2021

		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	\$ 16,412,243	\$ -	\$ -	\$ -	\$ -	\$ 16,412,243
Restricted cash and cash equivalents	-	100,000	-	113,062	385,637	598,699
Investments	59,420,207	50,895,358	-	-	14,516,942	124,832,507
Taxes receivable, net	27,191,493	1,360,593	-	-	71,354	28,623,440
Due from other funds	16,148,954	-	1,771,414	26,362,620	4,729,815	49,012,803
Receivable from other governments	-	-	1,480,625	2,343,670	28,628	3,852,923
Notes and loans receivable, net	-	56,852,901	3,570,337	-	-	60,423,238
Advance to other funds	1,704,741	-	-	747,000	-	2,451,741
Other receivables	1,856,708	72,703	299,959	-	1,303,969	3,533,339
Inventories	33,870	-	-	-	-	33,870
Property held for resale	-	-	116,968	-	305,445	422,413
Prepaid items	803,729	-	-	-	-	803,729
Total assets	\$ 123,571,945	\$ 109,281,555	\$ 7,239,303	\$ 29,566,352	\$ 21,341,790	\$ 291,000,945
Liabilities						
Accounts payable and accrued liabilities	\$ 5,497,499	\$ 90,003	\$ 166,114	\$ 1,815,273	\$ 1,084,110	\$ 8,652,999
Due to other funds	43,308,673	105,631	550,525	61,894	7,942	44,034,665
Unearned revenue	489,840	-	-	16,364,940	-	16,854,780
Total liabilities	49,296,012	195,634	716,639	18,242,107	1,092,052	69,542,444
Deferred inflows of resources	21,058,382	160,333	1,779,885	1,561,948	443,240	25,003,788
Fund balances						
Nonspendable	2,542,340	-	-	-	-	2,542,340
Restricted	3,440,722	108,925,588	4,742,779	4,782,321	19,475,945	141,367,355
Committed	11,178,497	-	-	104,831	-	11,283,328
Assigned	8,021,373	-	-	4,875,145	330,553	13,227,071
Unassigned	28,034,619	-	-	-	-	28,034,619
Total fund balances	53,217,551	108,925,588	4,742,779	9,762,297	19,806,498	196,454,713
Total liabilities, deferred inflows of resources, and fund balances	\$ 123,571,945	\$ 109,281,555	\$ 7,239,303	\$ 29,566,352	\$ 21,341,790	\$ 291,000,945

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, 2021

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

Fund balances of governmental funds		\$ 196,454,713
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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	\$ 486,881,190	
Less: accumulated depreciation	<u>(138,044,764)</u>	348,836,426

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.

Net pension liability	\$ (36,279,267)	
Pension asset	6,882,083	
Deferred outflows of resources relating to pensions	23,071,670	
Deferred inflows of resources relating to pensions	<u>(25,347,112)</u>	(31,672,626)

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.

Net OPEB liability	\$ (15,533,313)	
Deferred outflows of resources relating to OPEB	221,406	
Deferred inflows of resources relating to OPEB	<u>(4,297,637)</u>	(19,609,544)

Internal service funds are collapsed into governmental activities.		9,991,130
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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	\$ (6,262,381)	
Unamortized loss on refunding	388,041	
Capital leases payable	(1,459,994)	
Compensated absences payable	(5,074,168)	
Accrued interest payable	<u>(64,482)</u>	(12,472,984)

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)		\$ 4,885,159
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Total net position of governmental activities		\$ 496,412,274
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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, 2021

		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	\$ 15,352,779	\$ -	\$ -	\$ -	\$ 60,114	\$ 15,412,893
Sales and miscellaneous taxes	78,816,241	11,703,630	-	-	7,876,703	98,396,574
Payment in lieu of taxes	9,859	-	-	-	-	9,859
Fees and fines	1,707,579	-	-	-	-	1,707,579
Licenses and permits	1,020,502	-	-	-	-	1,020,502
Intergovernmental	3,694,138	-	1,095,806	12,728,042	5,661,712	23,179,698
Charges for services	4,928,077	506,399	2,560	-	3,058,259	8,495,295
Investment earnings (losses)	(166,678)	148,284	-	71	(60,773)	(79,096)
Sale of inventory	-	2,125,000	-	-	-	2,125,000
Other revenues	685,261	376,599	224,127	279,055	176,357	1,741,399
Total revenues	106,047,758	14,859,912	1,322,493	13,007,168	16,772,372	152,009,703
Expenditures						
Current						
General government	12,468,238	-	-	4,654,252	-	17,122,490
Public safety	49,131,321	-	-	475,473	3,361,772	52,968,566
Public works	7,066,687	-	-	413,860	2,146,845	9,627,392
Parks and recreation	6,076,694	-	-	-	342,886	6,419,580
Economic development	-	4,016,572	-	-	-	4,016,572
Culture and community welfare	6,235,679	-	1,029,824	194,522	2,955,560	10,415,585
Debt service						
Principal	-	-	-	-	3,975,707	3,975,707
Interest and other charges	-	-	-	-	278,836	278,836
Capital outlay	79,217	51,330	496,287	6,602,271	2,319,015	9,548,120
Total expenditures	81,057,836	4,067,902	1,526,111	12,340,378	15,380,621	114,372,848
Excess (deficiency) of revenues over expenditures	24,989,922	10,792,010	(203,618)	666,790	1,391,751	37,636,855
Other financing sources (uses)						
Transfers in	3,956,716	-	160,000	3,014,704	4,387,885	11,519,305
Transfers out	(12,096,306)	(1,244,000)	(473,302)	-	(3,876,867)	(17,690,475)
Total other financing sources (uses)	(8,139,590)	(1,244,000)	(313,302)	3,014,704	511,018	(6,171,170)
Net change in fund balance	16,850,332	9,548,010	(516,920)	3,681,494	1,902,769	31,465,685
Fund balances at beginning of year, as originally reported	36,367,219	99,377,578	5,285,370	6,745,130	16,882,269	164,657,566
Prior period adjustments	-	-	(25,671)	(664,327)	1,021,460	331,462
Fund balances at beginning of year, as restated	36,367,219	99,377,578	5,259,699	6,080,803	17,903,729	164,989,028
Fund balances at end of year	\$ 53,217,551	\$ 108,925,588	\$ 4,742,779	\$ 9,762,297	\$ 19,806,498	\$ 196,454,713

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, 2021

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

Total change in fund balances - governmental funds	\$	31,465,685
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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	\$ 9,548,120	
Depreciation expense	(8,380,861)	
Net book value of assets transferred to business-type activities	(88,753)	
Net book value of capital asset disposals	<u>(6,905,117)</u>	(5,826,611)

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.		4,257,075
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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 internal service funds	\$ 216,272	
Net operating loss attributed to business-type activities	<u>151,441</u>	367,713

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.		3,226,348
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Recognition and measurement of the changes in the net other post-employment benefit (OPEB) liability, together with OPEB-related deferred outflows of resources 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.		(813,185)
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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	\$ 2,804,322	
Principal payments on capital leases	1,171,385	
Change in accrued interest	71,946	
Change in deferred amounts on refunding	(194,021)	
Change in compensated absences payable	<u>405,415</u>	4,259,047

Certain revenue was earned and accrued in the statement of net position, but has been deferred in the governmental funds balance sheet.		(3,011,288)
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Change in net position of governmental activities	\$	33,924,784
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The accompanying notes are an integral part of these financial statements.

City of Pueblo, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-type Activities						Internal Service Fund
	Golf Course Enterprise	Sewer User Fund	Stormwater Utility	Memorial Airport	Nonmajor Enterprise Funds	Total	
Assets							
Current assets							
Cash and cash equivalents	\$ -	\$ 675	\$ 100	\$ 400	\$ 324,898	\$ 326,073	\$ 300
Restricted cash and cash equivalents	-	-	-	-	-	-	4,952,500
Investments	-	56,673,974	19,099,805	419,921	-	76,193,700	-
Accounts receivable, net	97,820	5,092,709	998,155	778,845	712,908	7,680,437	60,720
Due from other funds	565,895	-	-	996,775	3,182,822	4,745,492	5,699,333
Due from other governments	-	-	-	-	2,154,335	2,154,335	-
Other receivables	-	67,404	22,753	501	-	90,658	-
Prepaid expenses	-	-	4,930	-	27,584	32,514	-
Inventories	-	470,119	-	-	331,082	801,201	275,609
Unspent debt proceeds held by trustee	-	-	6,226,560	-	-	6,226,560	-
Total current assets	663,715	62,304,881	26,352,303	2,196,442	6,733,629	98,250,970	10,988,462
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	47,990,442	2,241,371	63,545,783	-
Infrastructure	-	55,492,410	51,159,534	719,671	6,785	107,378,400	-
Other improvements	4,172,816	-	-	22,016,104	210,017	26,398,937	-
Buildings	1,689,412	59,203,710	-	13,151,407	18,041,670	92,086,199	1,036,366
Machinery and equipment	2,637,330	6,368,954	3,516,928	2,961,901	8,552,916	24,038,029	863,307
Less accumulated depreciation	(8,411,868)	(32,564,202)	(18,091,318)	(41,330,392)	(12,889,484)	(113,287,264)	(1,168,863)
Artworks	44,370	-	-	3,912	8,823	57,105	-
Intangibles	-	21,278	61,393	-	1,478	84,149	-
Construction in progress	-	451,353	2,914,603	991,984	-	4,357,940	-
Total capital assets	4,828,192	89,186,654	48,866,711	46,561,918	19,626,661	209,070,136	730,810
Total noncurrent assets	4,828,192	89,186,654	48,866,711	46,561,918	19,626,661	209,070,136	730,810
Total assets	5,491,907	151,491,535	75,219,014	48,758,360	26,360,290	307,321,106	11,719,272
Deferred outflows of resources							
OPEB-related	1,128	44,836	12,052	9,023	536	67,575	34,293
Pension-related	27,699	1,101,255	296,029	221,631	13,168	1,659,782	838,824
Total deferred outflows of resources	28,827	1,146,091	308,081	230,654	13,704	1,727,357	873,117
Liabilities							
Current liabilities							
Accounts payable	150,185	1,947,055	625,951	619,058	582,581	3,924,830	1,213,034
Accrued expenses	-	-	-	-	158,639	158,639	-
Accrued interest payable	21,577	221,201	61,020	-	-	303,798	-
Due to other funds	1,083,890	161,904	9,340,448	263	4,593,428	15,179,933	243,030
Advances from others	43,531	-	-	-	215,558	259,089	-
Compensated absences	-	36,863	6,655	14,067	23,609	81,194	12,354
Capital lease obligation	355,012	-	-	-	-	355,012	-
Claims and judgments	-	-	-	-	-	-	1,325,334
Bonds, notes and loans payable	-	1,914,727	295,890	-	-	2,210,617	-
Total current liabilities	1,654,195	4,281,750	10,329,964	633,388	5,573,815	22,473,112	2,793,752
Noncurrent liabilities							
Compensated absences	-	331,763	59,895	126,599	212,459	730,716	111,187
Capital lease obligation	182,413	-	-	-	-	182,413	-
Claims and judgments	-	-	-	-	-	-	233,882
Bonds payable, net	-	15,731,393	5,874,341	-	-	21,605,734	-
Advance from other funds	1,704,741	-	-	-	747,000	2,451,741	-
Net OPEB liability	8,022	318,933	85,733	64,186	3,814	480,688	243,939
Net pension liability	57,746	2,295,809	617,138	462,040	27,451	3,460,184	1,748,713
Total noncurrent liabilities	1,952,922	18,677,898	6,637,107	652,825	990,724	28,911,476	2,337,721
Total liabilities	3,607,117	22,959,648	16,967,071	1,286,213	6,564,539	51,384,588	5,131,473
Deferred inflows of resources							
OPEB-related	3,001	119,309	32,072	24,011	1,427	179,820	91,254
Pension-related	63,716	2,533,169	680,943	509,809	30,290	3,817,927	1,929,510
Total deferred inflows of resources	66,717	2,652,478	713,015	533,820	31,717	3,997,747	2,020,764
Net position							
Net investment in capital assets	4,290,767	71,089,181	48,923,040	45,993,843	19,626,661	189,923,492	730,810
Unrestricted	(2,443,867)	55,936,319	8,923,969	1,175,138	151,077	63,742,636	4,709,342
Total net position	\$ 1,846,900	\$ 127,025,500	\$ 57,847,009	\$ 47,168,981	\$ 19,777,738	\$ 253,666,128	\$ 5,440,152

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the business-type activities over time

(4,550,978)

Net position of business-type activities

\$ 249,115,150

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, 2021

	Business-type Activities						
	Golf Course Enterprise	Sewer User Fund	Stormwater Utility	Memorial Airport	Nonmajor Enterprise Funds	Total	Internal Service Fund
Operating revenues							
Charges for services	\$ 2,728,690	\$ 29,334,131	\$ 5,002,157	\$ 603,700	\$ 4,290,858	\$ 41,959,536	\$ 20,374,810
Other revenues	2,654	20,314	153,155	9,989	63,854	249,966	509,850
Total operating revenues	2,731,344	29,354,445	5,155,312	613,689	4,354,712	42,209,502	20,884,660
Operating expenses							
Personnel services	90,532	4,445,624	1,329,850	992,924	31,496	6,890,426	3,786,208
Contractual services	1,041,378	1,670,797	761,846	230,982	5,763,591	9,468,594	30,240
Utilities	447,819	608,656	65,663	376,052	568,735	2,066,925	65,734
Repairs and maintenance	141,099	7,236,377	472,062	149,905	2,799,876	10,799,319	53,421
Other supplies and expenses	316,690	755,342	61,952	370,310	515,331	2,019,625	1,591,228
Insurance claims expense	-	-	-	-	-	-	16,152,820
Depreciation	433,229	1,963,732	871,056	1,877,507	850,821	5,996,345	88,595
Total operating expenses	2,470,747	16,680,528	3,562,429	3,997,680	10,529,850	37,241,234	21,768,246
Operating income (loss)	260,597	12,673,917	1,592,883	(3,383,991)	(6,175,138)	4,968,268	(883,586)
Nonoperating revenues (expenses)							
Investment earnings (losses)	-	(209,977)	(76,178)	(1,834)	-	(287,989)	-
Operating grants and contributions	-	-	-	1,439,017	2,955,162	4,394,179	-
Interest expense	(106,327)	(400,995)	(140,376)	(2,141)	-	(649,839)	(142)
Gain (loss) on disposal of capital assets	-	(40,819)	-	4,799	13,756	(22,264)	-
Total nonoperating revenues (expenses)	(106,327)	(651,791)	(216,554)	1,439,841	2,968,918	3,434,087	(142)
Income (loss) before contributions and transfers	154,270	12,022,126	1,376,329	(1,944,150)	(3,206,220)	8,402,355	(883,728)
Capital contributions	-	791,945	974,809	425,736	-	2,192,490	-
Capital contributions - Governmental Funds	-	-	88,753	-	-	88,753	-
Transfers in	-	-	-	650,440	4,432,730	5,083,170	1,100,000
Transfers out	-	-	(12,000)	-	-	(12,000)	-
Changes in net position	154,270	12,814,071	2,427,891	(867,974)	1,226,510	15,754,768	216,272
Net position at beginning of year, as originally reported	1,692,630	115,078,994	55,419,118	48,036,955	18,551,228		5,223,880
Prior period adjustments	-	(867,565)	-	-	-		-
Net position at beginning of year, as restated	1,692,630	114,211,429	55,419,118	48,036,955	18,551,228		5,223,880
Net position at end of year	\$ 1,846,900	\$ 127,025,500	\$ 57,847,009	\$ 47,168,981	\$ 19,777,738		\$ 5,440,152
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise funds						(151,441)	
Change in net position						\$ 15,603,327	

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, 2021

	Business-type Activities						
	Enterprise Funds						
	Golf Course Enterprise	Sewer User Fund	Stormwater Utility	Memorial Airport	Nonmajor Enterprise Funds	Total	Internal Service Fund
Cash flows from operating activities							
Cash received from customers	\$ 2,700,651	\$ 28,981,137	\$ 5,037,621	\$ 835,723	\$ 5,950,691	\$ 43,505,823	\$ 20,922,673
Cash payments to suppliers	(1,869,604)	(10,778,882)	(774,995)	(823,992)	(10,726,009)	(24,973,482)	(15,898,504)
Cash payments to employees	(101,192)	(4,893,008)	(1,393,437)	(1,056,796)	(69,679)	(7,514,112)	(3,991,538)
Receipts for interfund services	-	-	-	-	(2,398,481)	(2,398,481)	-
Payments for interfund services	(207,100)	209,267	52,916	(564,935)	970,984	461,132	(480,769)
Net cash flows from operating activities	522,755	13,518,514	2,922,105	(1,610,000)	(6,272,494)	9,080,880	551,862
Cash flows from non-capital financing activities							
Transfers in	-	-	2,228,322	650,440	4,432,730	7,311,492	1,100,000
Receipts (payments) from fund advance	-	-	-	-	94,197	94,197	-
Operating grants and contributions	-	-	-	1,864,753	2,955,162	4,819,915	-
Net cash flows from non-capital financing activity	-	-	2,228,322	2,515,193	7,482,089	12,225,604	1,100,000
Cash flows from capital and related financing activities							
Proceeds from the sale of capital assets	-	-	-	4,799	21,825	26,624	-
Acquisitions of capital assets	(62,557)	(1,445,392)	(3,654,940)	(907,045)	(1,052,462)	(7,122,396)	-
Capital contributions received	-	791,945	974,809	-	-	1,766,754	-
Principal paid on long-term debt	(341,147)	(1,881,097)	(289,102)	-	-	(2,511,346)	(94,034)
Interest paid on long-term debt	(119,051)	(489,007)	(153,446)	(2,141)	-	(763,645)	(1,711)
Net cash flows from capital and related financing activities	(522,755)	(3,023,551)	(3,122,679)	(904,387)	(1,030,637)	(8,604,009)	(95,745)
Cash flows from investing activities							
Interest earnings received	-	342,890	117,802	2,668	-	463,360	-
Maturity of investments	-	17,484,255	6,134,557	142,366	-	23,761,178	-
Acquisition of investments	-	(28,322,108)	(8,280,107)	(145,840)	-	(36,748,055)	-
Net cash flows from investing activities	-	(10,494,963)	(2,027,748)	(806)	-	(12,523,517)	-
Net increase (decrease) in cash and cash equivalents	-	-	-	-	178,958	178,958	1,556,117
Cash and cash equivalents at beginning of year	-	675	100	400	145,940	147,115	3,396,683
Cash and cash equivalents at end of year	\$ -	\$ 675	\$ 100	\$ 400	\$ 324,898	\$ 326,073	\$ 4,952,800
Reported in the accompanying statement of net position as follows:							
Cash and cash equivalents	\$ -	\$ 675	\$ 100	\$ 400	\$ 324,898	\$ 326,073	\$ 300
Restricted cash and cash equivalents	-	-	-	-	-	-	4,952,500
	\$ -	\$ 675	\$ 100	\$ 400	\$ 324,898	\$ 326,073	\$ 4,952,800
Reconciliation of operating income (loss) to net cash flows from operating activities							
Operating income (loss)	\$ 260,597	\$ 12,673,917	\$ 1,592,883	\$ (3,383,991)	\$ (6,175,138)	\$ 4,968,268	\$ (883,586)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:							
Depreciation	433,229	1,963,732	871,056	1,877,507	850,821	5,996,345	88,595
(Increase) decrease in operating assets:							
Accounts receivable	(30,693)	(373,308)	(117,691)	719,749	1,595,979	1,794,036	38,013
Due from other funds	(260,094)	209,267	52,916	(497,715)	310,305	(185,321)	(480,769)
Prepaid items	-	39,370	(1,411)	-	(3,934)	34,025	190,754
Inventories	-	9,123	-	-	(35,660)	(26,537)	(75,284)
Increase (decrease) in operating liabilities:							
Accounts payable and accrued expenses	77,382	(596,933)	582,938	301,516	(1,061,062)	(696,159)	1,872,976
Due to other funds	(28,184)	-	-	(564,935)	(1,737,802)	(2,330,921)	-
Advances from others	81,178	-	-	-	-	81,178	-
Net OPEB liability and related deferred inflows and outflows of resources	(912)	(34,620)	(4,510)	(5,104)	(1,466)	(46,612)	(4,307)
Net pension liability and related deferred inflows and outflows of resources	(9,748)	(372,034)	(54,076)	(57,027)	(14,537)	(507,422)	(194,530)
Net cash flows from operating activities	\$ 522,755	\$ 13,518,514	\$ 2,922,105	\$ (1,610,000)	\$ (6,272,494)	\$ 9,080,880	\$ 551,862
Schedule of noncash investing, capital and financing activities							
Capital assets contributed from governmental activities	\$ -	\$ -	\$ 88,753	\$ -	\$ -	\$ 88,753	\$ -
Capital assets purchased with prior unspent debt proceeds	-	-	331,000	-	-	331,000	-
Unrealized gain (loss) on investments	-	(552,867)	(193,980)	(4,502)	-	(751,349)	-

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, 2021

	Subdivision Infrastructure
Assets	
Cash and cash equivalents	\$ 3,622,231
Total assets	3,622,231
 Liabilities	
Accounts payable	6,315
Total liabilities	6,315
 Net position	
Restricted	3,615,916
Total net position	\$ 3,615,916

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, 2021

	Subdivision Infrastructure
Additions	
Deposits received	\$ 1,437,346
Total additions	1,437,346
Deductions	
Deposits released	159,568
Total deductions	159,568
Change in net position	1,277,778
Net position at beginning of year	2,338,138
Net position at end of year	\$ 3,615,916

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, 2021

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, 2021

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, 2021

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, 2021

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, is reported using the economic resources measurement focus and uses the accrual basis of accounting.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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 eligibility criteria are met.

Business-type activities, all proprietary funds and fiduciary 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, 2021

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, 2021

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, 2021

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 13, 2021, 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 13, 2021 reflect 2021 taxes that will be collected in 2022. 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, 2021

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.

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

	Governmental <u>Activities</u>	Business- Type <u>Activities</u>	Pueblo Urban Renewal Authority Component <u>Unit</u>	Pueblo Municipal Rail Corporation Component <u>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.

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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first item that qualifies is the deferred charge on refunding of bonds reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred pension outflows are the other item that is being presented as a deferred outflow of resources; see Note G for the deferred outflows of resources related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for the reporting in this category. One is for property tax revenue which is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected. Deferred pension inflows is the other item that is being presented as a deferred inflow of resources; see Note H for the deferred inflows of resources related to pensions.

Some items are considered deferred inflows of resources under the modified accrual basis of accounting and are only reported in the governmental funds. One item that qualifies for reporting in this category is the item unavailable revenue. The City reports unavailable revenue primarily from grants. These amounts are recognized as an inflow of resources in the period the revenue becomes available.

L. LONG-TERM LIABILITIES

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

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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. 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 Public Employees' Retirement Association (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 Employees' 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.

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.

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 PERS 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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. PENSION PLANS, Continued

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 PERS 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.

N. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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.

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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. 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.

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”.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. FUND EQUITY, Continued

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.

P. 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.

Q. 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.

R. 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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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 budgetary 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 2021, 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, 2021

III. DETAILED NOTES FOR ALL FUNDS

A. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments are summarized as follows:

Cash on hand	\$ 32,510
Demand deposits	25,879,536
	<u>\$ 25,912,046</u>
Investments –	
U.S. agency securities	\$ 46,224,347
U.S. treasury securities	22,332,850
Corporate Bonds	18,489,760
Money market funds	27,224,894
Local government investment pools (ColoTrust and CSAFE)	86,754,356
	<u>\$ 201,026,207</u>

	Cash and Cash Equivalents	Investments
Reported in the financial statements as follows:		
Government-wide statement of net position	\$ 22,289,815	\$ 201,026,207
Statement of fiduciary net position	<u>3,622,231</u>	<u>-</u>
	<u>\$ 25,912,046</u>	<u>\$ 201,026,207</u>

DEPOSITS

At December 31, 2021, the carrying amount of the City's deposits was \$25,879,536 and the bank balance was \$26,167,844. Of the bank balance, \$852,805 was covered by federal depository insurance and \$25,315,039 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, 2021, deposits with a bank balance of \$25,315,039 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, 2021

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, 2021, 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	\$ -	\$ 46,224,347	\$ -	\$ 46,224,347	23.0%	\$ 13,688,705	\$ 32,535,642
U.S. treasuries	-	22,332,850	-	22,332,850	11.1%	10,562,030	11,770,820
Corporate bonds	-	18,489,760	-	18,489,760	9.2%	6,184,230	12,305,530
	<u>\$ -</u>	<u>\$ 87,046,957</u>	<u>\$ -</u>	<u>\$ 87,046,957</u>		<u>\$ 30,434,965</u>	<u>\$ 56,611,992</u>
<u>Investments measured at net asset value (NAV):</u>							
ColoTrust				15,001,080	7.5%		
Money market funds				27,224,894	13.5%		
<u>Investments measured at amortized cost:</u>							
CSAFE				71,753,276	35.7%		
				<u>\$ 201,026,207</u>			

The City has the following recurring fair value measurements as of December 31, 2021:

- US Treasury securities of \$22,332,850 are valued using quoted market prices (Level 2 inputs).
- US Agency securities and Corporate bonds of \$46,224,347 and \$18,489,760, respectively, are valued using a matrix pricing model (Level 2 inputs).

The City’s investments in CSAFE are measured at amortized cost. The City’s investments in ColoTrust and money market funds are measured at net asset value. These investments are not subject to the fair value hierarchy.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

A. CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

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

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

Credit risk – The City’s investment policy relative to investment choices provides that the City may invest in U.S. treasury and agency securities, commercial paper, bankers’ acceptances, local government investment pools, money market funds, repurchase agreements and corporate notes and bonds.

The following shows the various investment types held by the City as of December 31, 2021, and the associated rating:

	<u>Moody's Rating</u>	<u>S&P Rating</u>
U.S. agency securities	Aaa	AA+
U.S. treasury securities	Aaa	AA+
Corporate Bonds	A1 to A3	A+ to BBB+
Money market funds	Aaa	AAAm
ColoTrust	N/A	AAAm
CSafe	N/A	AAAm

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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	\$ 3,750
Demand deposits	5,957,163
Total cash and cash equivalents	<u>\$ 5,960,913</u>
Money market funds held at bank trust departments	\$ 2,107,385
ColoTrust	26,590,191
US Agency securities	7,381,895
Commercial Paper	2,998,033
Municipal bonds	2,000,060
Total investments	<u>\$ 41,077,564</u>
Reported in the financial statements as follows:	
Cash and cash equivalents	\$ 2,119,544
Restricted cash and cash equivalents	270,000
Restricted cash and cash equivalents under debt obligations	<u>3,571,369</u>
	<u>\$ 5,960,913</u>
Restricted investments under debt obligations	<u>\$ 41,077,564</u>

DEPOSITS

At December 31, 2021, the carrying amount of the Pueblo Urban Renewal Authority's (the Authority) deposits was \$5,957,163 and the bank balance was \$5,960,992. Of the bank balance, \$750,000 was covered by federal depository insurance and \$5,210,992 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, 2021, deposits with a bank balance of \$5,210,992 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, 2021

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.

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.

As of December 31, 2021, the Authority had the following investments and maturities:

Investment Type	Level 1	Level 2	Level 3	Total	Concentration	Investment Maturities	
						Less Than One Year	1 - 5 Years
U.S. agencies	\$ -	\$ 7,381,895	\$ -	\$ 7,381,895	18.0%	\$ -	\$ 7,381,895
Commercial paper	-	2,998,033	-	2,998,033	7.3%	2,998,033	-
Municipal bonds	-	2,000,060	-	2,000,060	4.9%	2,000,060	-
	<u>\$ -</u>	<u>\$ 12,379,988</u>	<u>\$ -</u>	<u>\$ 12,379,988</u>		<u>\$ 4,998,093</u>	<u>\$ 7,381,895</u>

Investments measured at net asset value (NAV):

ColoTrust	26,590,191	64.7%
Money market funds	<u>2,107,385</u>	5.1%
	<u>\$ 41,077,564</u>	

The Authority has the following recurring fair value measurements as of December 31, 2021:

- US Agency securities, Commercial paper, and Municipal bonds of \$7,381,895, \$2,998,033, and \$2,000,060, respectively, are valued using a matrix pricing model (Level 2 inputs).

The Authority’s investments in ColoTrust and money market funds are measured at net asset value. These investments are not subject to the fair value hierarchy.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

A. CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

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

Credit risk – State law limits investments in money market funds to funds that are registered as an investment company; the fund investment policies must seek to maintain a constant price and no sales or bond fee can be added to the purchase or redemption price. The Authority has no investment policy that would further limit its investment choices.

The following shows the various investment types held by the Authority as of December 31, 2021, and the associated rating:

	<u>Moody's Rating</u>	<u>S&P Rating</u>
ColoTrust	N/A	AAAm
Money market funds	Aaa	AAA
US Agency securities	Aaa	AA+
Commercial Paper	P-1	A-1
Municipal bonds	Aa2	AA+

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

B. RECEIVABLES

Receivables at December 31, 2021, consist of the following:

	Governmental and Internal Service Funds					Total
	General Fund	Economic Development 1/2 Cent Tax Fund	HUD Grants Fund	Total Nonmajor Funds	Internal Service Fund	
Taxes –						
Property	\$ 19,174,348	\$ -	\$ -	\$ 71,354	\$ -	\$ 19,245,702
Sales and use	7,301,145	1,360,593	-	-	-	8,661,738
Franchise	716,000	-	-	-	-	716,000
Notes and loans	650,000	66,379,761	3,570,337	-	-	70,600,098
Accounts	1,499,766	12,000	-	-	60,720	1,572,486
Interest	71,230	119	-	-	-	71,349
Other	379,990	60,584	299,959	1,303,969	-	2,044,502
	<u>29,792,479</u>	<u>67,813,057</u>	<u>3,870,296</u>	<u>1,375,323</u>	<u>60,720</u>	<u>102,911,875</u>
Less: allowance for uncollectible accounts	(744,278)	(9,526,860)	-	-	-	(10,271,138)
	<u>\$ 29,048,201</u>	<u>\$ 58,286,197</u>	<u>\$ 3,870,296</u>	<u>\$ 1,375,323</u>	<u>\$ 60,720</u>	<u>\$ 92,640,737</u>
Amounts not scheduled for collection during the subsequent year	\$ -	\$ 52,458,888	\$ 3,045,421	\$ -	\$ -	\$ 55,504,309

Included in notes and loans is \$14,485,511 of receivables that are due from the Authority under agreements between the City and the Authority.

	Enterprise Funds					Total
	Golf Enterprise	Sewer User	Stormwater Utility	Memorial Airport	Nonmajor Enterprise Funds	
Accounts	\$ 97,820	\$ 5,092,749	\$ 998,155	\$ 1,151,481	\$ 713,243	\$ 8,053,448
Interest	-	67,404	22,753	501	-	90,658
	<u>97,820</u>	<u>5,160,153</u>	<u>1,020,908</u>	<u>1,151,982</u>	<u>713,243</u>	<u>8,144,106</u>
Less: allowance for uncollectible accounts	-	(40)	-	(372,636)	(335)	(373,011)
	<u>\$ 97,820</u>	<u>\$ 5,160,113</u>	<u>\$ 1,020,908</u>	<u>\$ 779,346</u>	<u>\$ 712,908</u>	<u>\$ 7,771,095</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

B. RECEIVABLES, Continued

DISCRETELY PRESENTED COMPONENT UNITS

Receivables at December 31, 2021, are summarized as follows:

	Governmental Activities	Business-type Activities	Total Pueblo Urban Renewal Authority
Due From Primary Government	\$ 75,892	\$ -	\$ 75,892
Notes	7,499	115,902	123,401
Vendors fee	543,202	-	543,202
Sales Tax Increment	740,824	-	740,824
Property taxes	<u>6,224,203</u>	<u>-</u>	<u>6,224,203</u>
	<u>\$ 7,591,620</u>	<u>\$ 115,902</u>	<u>\$ 7,707,522</u>

	Governmental Activities				
	General Fund	Regional Tourism	Expanded Downtown District	St. Charles District	Lake Minnequa District
Due From Primary Government	\$ -	\$ -	\$ 75,892	\$ -	\$ -
Notes	7,499	-	-	-	-
Vendors Fee	-	-	-	-	-
Sales Tax Increment	-	740,824	-	-	-
Property taxes	<u>6,942</u>	<u>-</u>	<u>715,203</u>	<u>3,004,094</u>	<u>1,689,087</u>
	<u>\$ 14,441</u>	<u>\$ 740,824</u>	<u>\$ 791,095</u>	<u>\$ 3,004,094</u>	<u>\$ 1,689,087</u>

	Governmental Activities				
	Vendor Fee	North Pueblo District	Evraz District	Other Governmental Funds	Total
Due From Primary Government	\$ -	\$ -	\$ -	\$ -	\$ 75,892
Notes	-	-	-	-	7,499
Vendors Fee	543,202	-	-	-	543,202
Sales Tax Increment	-	-	-	-	740,824
Property taxes	<u>-</u>	<u>700,541</u>	<u>1,440</u>	<u>106,896</u>	<u>6,224,203</u>
	<u>\$ 543,202</u>	<u>\$ 700,541</u>	<u>\$ 1,440</u>	<u>\$ 106,896</u>	<u>\$ 7,591,620</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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, 2021:

	Interfund Receivable	Interfund Payable
Governmental Funds -		
General fund	\$ 16,148,954	\$ 43,308,673
Economic development 1/2 cent tax	-	105,631
HUD grants	1,771,414	550,525
Public improvements funds	26,362,620	61,894
Nonmajor governmental	4,729,815	7,942
Total governmental funds	<u>49,012,803</u>	<u>44,034,665</u>
Enterprise Funds -		
Golf enterprise	565,895	1,083,890
Sewer user	-	161,904
Storm water utility	-	9,340,448
Memorial airport	996,775	263
Nonmajor enterprise funds	<u>3,182,822</u>	<u>4,593,428</u>
Total enterprise funds	<u>4,745,492</u>	<u>15,179,933</u>
Internal service fund	<u>5,699,333</u>	<u>243,030</u>
	<u><u>\$ 59,457,628</u></u>	<u><u>\$ 59,457,628</u></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.

The following table summarizes advances to/from other funds at December 31, 2021:

	Advances to Other Funds	Advances from Other Funds
Major governmental funds -		
Advance due general fund from Walking Stick golf course major enterprise fund	\$ 1,704,741	\$ -
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	-	1,704,741
Nonmajor enterprise fund -		
Advance due to public improvement fund from honor farm fund	-	747,000
	<u><u>\$ 2,451,741</u></u>	<u><u>\$ 2,451,741</u></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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

C. INTERFUND RECEIVABLES/PAYABLES/TRANSFERS, Continued

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.

Transfers for the year ended December 31, 2021, are as follows:

	Transfers in	Transfers out
Governmental Funds -		
General fund		
from Other Funds	\$ 3,956,716	\$ -
to Other Funds	-	12,096,306
Economic development 1/2 cent tax		
to General Fund	-	200,000
to Public Improvement Fund	-	1,044,000
HUD grants		
from General Fund	160,000	-
to General Fund	-	473,302
Public improvements funds		
from General Fund	1,522,000	-
from Economic development 1/2 cent tax	1,044,000	-
from Nonmajor Funds	448,704	-
Nonmajor Governmental		
from General Fund	4,231,136	-
from Nonmajor Funds	144,749	-
from Stormwater Utility	12,000	-
to General Fund	-	3,283,414
to Public Improvement Fund	-	448,704
to Nonmajor funds	-	144,749
Total governmental funds	11,519,305	17,690,475
Capital assets transfer to Business-Type Activities	-	88,753
Total Governmental Activities	11,519,305	17,779,228
Enterprise Funds -		
Stormwater utility to Nonmajor Funds	-	12,000
Memorial airport from General Fund	650,440	-
Other enterprise funds from General Fund	4,432,730	-
Total enterprise funds	5,083,170	12,000
Capital assets transfer from Governmental Activities	88,753	-
Total Business-type Activities	5,171,923	12,000
Internal service fund		
from General Fund	1,100,000	-
	<u>\$ 17,791,228</u>	<u>\$ 17,791,228</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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

D. DUE FROM OTHER GOVERNMENTAL AGENCIES

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

E. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2021, was as follows:

	Balance January 1,			Deletions/ Inventory Adjustments/ Transfers	Balance December 31,
	2021	Restated	Additions		2021
Governmental activities -					
Nondepreciable assets -					
Land	\$ 19,599,226		\$ 71,009	\$ (260,084)	\$ 19,410,151
Land - infrastructure	78,335,198		975,186	(2,640)	79,307,744
Art works	1,791,578		40,000	-	1,831,578
Intangibles	1,272,245		27,110	-	1,299,355
Construction in progress	3,182,264		7,632,701	(4,425,201)	6,389,764
Total capital assets not being depreciated	104,180,511		8,746,006	(4,687,925)	108,238,592
Depreciable assets -					
Land improvements	54,524,139		1,530,922	-	56,055,061
Infrastructure	195,518,932		4,804,307	(5,320)	200,317,919
Buildings	79,910,930		801,841	(6,676,893)	74,035,878
Machinery and equipment	51,374,423		2,258,567	(3,499,577)	50,133,413
Total capital assets being depreciated	381,328,424		9,395,637	(10,181,790)	380,542,271
Less: accumulated depreciation for -					
Land improvements	(13,612,382)		(640,496)	-	(14,252,878)
Infrastructure	(60,986,222)		(2,068,774)	3,562	(63,051,434)
Buildings	(21,470,245)		(1,674,953)	116,972	(23,028,226)
Machinery and equipment	(38,214,720)		(4,085,233)	3,418,864	(38,881,089)
Total accumulated depreciation	(134,283,569)		(8,469,456)	3,539,398	(139,213,627)
Capital assets being depreciated, net	247,044,855		926,181	(6,642,392)	241,328,644
Total governmental activities capital assets, net	\$ 351,225,366		\$ 9,672,187	\$ (11,330,317)	\$ 349,567,236
			Plus deferred amount of refunding		388,041
			Less outstanding certificates of participation		(6,262,381)
			Less outstanding capital leases		(1,459,994)
			Less retainage payable		(319,628)
			Net investment in capital assets		\$ 341,913,274

The amounts above include buildings and equipment, net of accumulated depreciation, totaling \$730,810 that are related to the internal service fund reported as part of the governmental activities.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

E. CAPITAL ASSETS, Continued

	Balance January 1, 2021	Restated	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2021
Business-type activities -					
Nondepreciable assets -					
Land	\$	4,410,858	\$ -	\$ -	\$ 4,410,858
Art works		57,105	-	-	57,105
Intangibles		57,388	26,761	-	84,149
Construction in progress		13,387,184	4,318,478	(13,347,722)	4,357,940
Total capital assets not being depreciated		<u>17,912,535</u>	<u>4,345,239</u>	<u>(13,347,722)</u>	<u>8,910,052</u>
Depreciable assets -					
Land improvements		58,837,259	4,708,524	-	63,545,783
Infrastructure		105,379,303	1,999,097	-	107,378,400
Buildings		83,515,087	8,571,112	-	92,086,199
Machinery and equipment		23,224,854	1,265,899	(452,724)	24,038,029
Other improvements		26,398,937	-	-	26,398,937
Total capital assets being depreciated		<u>297,355,440</u>	<u>16,544,632</u>	<u>(452,724)</u>	<u>313,447,348</u>
Less: accumulated depreciation for -					
Land improvements		(16,158,741)	(1,656,954)	-	(17,815,695)
Infrastructure		(27,339,127)	(1,052,194)	-	(28,391,321)
Buildings		(21,183,921)	(1,802,074)	-	(22,985,995)
Machinery and equipment		(18,256,395)	(1,376,485)	403,835	(19,229,045)
Other improvements		(24,756,570)	(108,638)	-	(24,865,208)
Total accumulated depreciation		<u>(107,694,754)</u>	<u>(5,996,345)</u>	<u>403,835</u>	<u>(113,287,264)</u>
Capital assets being depreciated, net		<u>189,660,686</u>	<u>10,548,287</u>	<u>(48,889)</u>	<u>200,160,084</u>
Total business-type activities capital assets, net	\$	<u>207,573,221</u>	\$ <u>14,893,526</u>	\$ <u>(13,396,611)</u>	\$ <u>209,070,136</u>
			Plus unspent debt proceeds		6,226,560
			Less outstanding notes payable		(537,425)
			Less outstanding capital leases		(23,816,351)
			Less retainage payable		(1,019,428)
			Net investment in capital assets		<u>\$ 189,923,492</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

E. CAPITAL ASSETS, Continued

	Balance January 1, 2021	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2021
Pueblo Urban Renewal Authority discretely-presented component unit				
Nondepreciable assets -				
Land	\$ 1,279,647	\$ -	\$ -	\$ 1,279,647
Memorial	295,097	-	-	295,097
Total capital assets not being depreciated	<u>1,574,744</u>	<u>-</u>	<u>-</u>	<u>1,574,744</u>
Depreciable assets -				
Buildings	51,478,906	47,608	-	51,526,514
Machinery and equipment	2,048,195	6,455	(415,536)	1,639,114
Other improvements	<u>2,294,088</u>	<u>-</u>	<u>(375,282)</u>	<u>1,918,806</u>
Total capital assets being depreciated	<u>55,821,189</u>	<u>54,063</u>	<u>(790,818)</u>	<u>55,084,434</u>
Less: accumulated depreciation for -				
Buildings	(6,950,279)	(1,356,622)	-	(8,306,901)
Machinery and equipment	(1,220,876)	(135,905)	415,536	(941,245)
Other improvements	<u>(1,251,134)</u>	<u>(109,999)</u>	<u>346,397</u>	<u>(1,014,736)</u>
Total accumulated depreciation	<u>(9,422,289)</u>	<u>(1,602,526)</u>	<u>761,933</u>	<u>(10,262,882)</u>
Capital assets being depreciated, net	<u>46,398,900</u>	<u>(1,548,463)</u>	<u>(28,885)</u>	<u>44,821,552</u>
Total Pueblo Urban Renewal Authority capital assets, net	<u>\$ 47,973,644</u>	<u>\$ (1,548,463)</u>	<u>\$ (28,885)</u>	<u>\$ 46,396,296</u>
				709,918
				(30,389,443)
				34,786
				<u>\$ 16,751,557</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

E. CAPITAL ASSETS, Continued

	Balance January 1, 2021	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2021
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	(233,760)	(30,720)	-	(264,480)
Total accumulated depreciation	(233,760)	(30,720)	-	(264,480)
Capital assets being depreciated, net	2,838,200	(30,720)	-	2,807,480
Total Pueblo Municipal Rail Corporation capital assets, net	<u>\$ 3,367,820</u>	<u>\$ (30,720)</u>	<u>\$ -</u>	<u>\$ 3,337,100</u>
			Less outstanding debt obligations	(2,117,536)
			Net investment in capital assets	<u>\$ 1,219,564</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities -	
General government	\$ 896,888
Public safety	3,629,542
Public works	2,347,530
Culture and community welfare	565,563
Parks and recreation	916,936
Economic development	112,997
Total depreciation expenses - governmental activities	<u>\$ 8,469,456</u>
Business-type activities -	
Golf course enterprise fund	\$ 433,229
Sewer user	1,963,732
Stormwater utility	871,056
Memorial airport	1,877,507
Other enterprise funds	850,821
Total depreciation expense - business-type activities	<u>\$ 5,996,345</u>
Discretely-presented component units -	
Pueblo Urban Renewal Authority	\$ 1,602,526
Pueblo Municipal Rail Corporation	30,720
Total depreciation expense - discretely-presented component units	<u>\$ 1,633,246</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

E. CAPITAL ASSETS, Continued

At December 31, 2021, 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, 2021	Total Estimated Costs
Governmental activities -		
Parks and recreation projects	\$ 2,311,269	\$ 4,468,500
Public works projects	1,955,782	8,833,090
Culture projects	1,871,830	1,872,516
Other projects	250,883	330,918
	<u>\$ 6,389,764</u>	<u>\$ 15,505,024</u>
Business-type activities -		
Sewer User	\$ 451,353	\$ 999,723
Stormwater Utility	2,914,602	6,357,417
Memorial Airport	991,985	1,217,248
	<u>\$ 4,357,940</u>	<u>\$ 8,574,388</u>

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

Deferred inflows of resources (non-pension related) at December 31, 2021, 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	\$ 19,153,804	\$ -	\$ -	\$ -	\$ 71,354	\$ 19,225,158
Other unavailable revenue	1,904,578	160,333	1,779,885	1,561,948	371,886	5,778,630
	21,058,382	160,333	1,779,885	1,561,948	443,240	25,003,788
Less: amounts recognized as revenue in government-wide statements	(1,524,588)	(160,333)	(1,650,065)	(1,550,173)	-	(4,885,159)
	<u>\$ 19,533,794</u>	<u>\$ -</u>	<u>\$ 129,820</u>	<u>\$ 11,775</u>	<u>\$ 443,240</u>	<u>\$ 20,118,629</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

	Pueblo Urban Renewal Authority
Property taxes	<u>\$ 6,224,203</u>
Less: amounts recognized as revenue in government-wide statements	-
	<u>\$ 6,224,203</u>

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 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, 2020. 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, 2021

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, 2020, 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, once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, 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. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 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 lifetime retirement benefit formula(s) 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, 2021. 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, 2020 through December 31, 2021 are summarized on the table below:

	01/01/2020 through <u>6/30/2020</u>	07/01/2020 through <u>12/31/2021</u>
Employee contribution rate	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, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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

	01/01/2020 through 06/30/2020	07/01/2020 through 12/31/2020	01/01/2021 through 06/30/2021	07/01/2021 through 12/31/2021
Employer contribution rate	10.00%	10.50%	10.50%	10.50%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	-1.02%	-1.02%	-1.02%	-1.02%
Amount apportioned to the LGDTF	8.98%	9.48%	9.48%	9.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	N/A	N/A	0.02%	0.02%
Total Employer contribution rate to the LGDTF	12.68%	13.18%	13.20%	13.20%

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 \$3,103,061 and \$69,062, respectively, for the year ended December 31, 2021.

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

At December 31, 2021, the City of Pueblo and PURA reported a liability of \$16,545,782 and \$347,696 respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2020. 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 2020 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2020, the City of Pueblo's and PURA's proportion was 3.242 percent, which was a decrease of 0.049 percent from its proportion measured as of December 31, 2019.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

For the year ended December 31, 2021, the City of Pueblo and PURA recognized pension expense of \$1,016,223 and \$91,134, respectively. At December 31, 2021, 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	\$ 799,973	\$ -
Net difference between projected and actual earnings on pension plans investments	-	17,893,348
Changes in assumptions of other inputs	3,998,468	
Changes in proportionate share	-	363,079
Differences between contributions recognized and proportionate share of contributions	35,187	-
Contributions subsequent to the measurement date	3,103,061	-
City of Pueblo Total	<u>7,936,689</u>	<u>18,256,427</u>
<u>Discretely Presented Component Unit-PURA</u>		
Difference between expected and actual experience	16,811	-
Net difference between projected and actual earnings on pension plans investments	-	376,014
Changes in assumptions of other inputs	84,024	-
Changes in proportionate share	52,180	
Differences between contributions recognized and proportionate share of contributions	722	-
Contributions subsequent to the measurement date	69,062	-
PURA Total	<u>222,799</u>	<u>376,014</u>
Total	<u>\$ 8,159,488</u>	<u>\$ 18,632,441</u>

\$3,172,123 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, 2022. 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>
2022	\$ (2,294,806)	\$ (79)
2023	(2,238,501)	(35,393)
2024	(6,065,520)	(127,462)
2025	(2,823,972)	(59,343)
	<u>\$ (13,422,799)</u>	<u>\$ (222,277)</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

Actuarial assumptions. The December 31, 2019, 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; (compounded annually)	1.25 percent
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

¹Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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.

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

The actuarial assumptions used in the December 31, 2019, 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.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.20 – 11.30 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; (compounded annually)	1.25 percent
PERA benefit structure hired after 12/31/06 ²	Financed by the AIR

²Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Pre-retirement mortality assumptions were based on the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for 80 and older, with generational projection using scale MP-2019.
- **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for 80 and older, with generational projection using scale MP-2019.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

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 the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption, 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.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting to be effective January 1, 2020. As of the most recent reaffirmation of the long-term 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:

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	<u>100.00%</u>	

¹The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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.

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 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increase in SB 18-200. 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 scheduled increase in SB 18-200. 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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

- 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.
- 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.

Sensitivity of the City of Pueblo's and PURA's proportionate share of the net pension liability to changes in the discount rate. The following presents the City of Pueblo's and PURA'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	\$ 38,114,890	\$ 16,545,782	\$ (1,461,611)
Proportionate share of the net pension liability - PURA	\$ 800,953	\$ 347,696	\$ (30,715)

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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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>.

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' pensionable earnings 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 covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments 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 for Urban Wage Earners and Clerical Workers (CPI-W).

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' pensionable earnings 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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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 are 8 percent and 8.50 percent 2020 and 2021, respectively. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2020, members of the SWDB plan and their employers are contributing at the rate of 11.0 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 19.0 percent.

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 23.0 percent and 23.5 percent of pensionable earnings in 2020 and 2021, 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 5.50 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.50 percent in 2020 and 9.75 percent in 2021. 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 and 4.25 percent in 2020 and 2021. 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 \$2,106,814 for the year ended December 31, 2021.

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

At December 31, 2021, the City of Pueblo reported an asset of \$6,882,083 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. 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 2020 relative to the total contributions of participating employers to the SWDB.

At December 31, 2020, the City of Pueblo's proportion was 3.170 percent, which was a decrease of 0.175 percent from its proportion measured as of December 31, 2019.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

For the year ended December 31, 2021, the City of Pueblo recognized pension expense of \$2,145,908. At December 31, 2021, 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	\$ 5,836,683	\$ 27,373
Net difference between projected and actual earnings on pension plan investments	-	7,068,889
Changes in assumptions	2,927,053	-
Changes in proportionate share	1,033,745	-
Differences between contributions recognized and proportionate share of contributions	523,857	-
Contributions subsequent to the measurement date	2,106,814	-
Total	<u>\$ 12,428,152</u>	<u>\$ 7,096,262</u>

\$2,106,814 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. 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	
2022	\$ (525,841)
2023	391,037
2024	(798,223)
2025	399,388
2026	1,471,896
Thereafter	2,286,819
Total	<u>\$ 3,225,076</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, 2020. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2021	January 1, 2020
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return, net*	7.00%	7.00%
Projected Salary Increases *	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.00%	0.00%
* Includes Inflation at	2.50%	2.50%

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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 it 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, 2020, 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	39.0%	8.23%
Equity Long/Short	8.0%	6.87%
Private Markets	26.0%	10.63%
Fixed Income – Rates	10.0%	4.01%
Fixed Income – Credit	5.0%	5.25%
Absolute Return	10.0%	5.60%
Cash	2.0%	2.32%
Total	<u>100.0%</u>	

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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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 7.00%; the municipal bond rate is 2.00% (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/(asset) to changes in the single discount rate, the following presents the plan's net pension liability/(asset), calculated using a single discount rate of 7.00%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower and one percent higher:

	1% Decrease (6.00%)	Rate Assumption (7.00%)	1 % Increase (8.00%)
Proportionate share of the net pension liability (asset)	\$ 6,925,736	\$ (6,882,083)	\$ (18,316,681)

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>.

Subsequent Event

During 2020, legislation was passed effective January 1, 2021, that amended the Statewide Defined Benefit Plan. Amendments to the related contribution rates and benefits of this plan are described above. Additionally, the stabilization reserve accounts (SRA) of the Defined Benefit System became self-directed accounts with assets of \$123.6 million transferred to the FPPA Member's Self-Directed Investment Fund after the January 1, 2021, actuarial valuation date. This transfer does not impact the net pension liability/(asset) of the plan as the transfer of assets will reduce both the total pension liability and the plan fiduciary net position.

Payable to the pension plan

At December 31, 2021, the City reported a payable of \$171,964 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2021.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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 (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. 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 (COLA) benefits are increased in proportion to pay for rank at retirement. The current law has limited the increase to 3% for benefits earned after January 1, 1980. A side fund has been established to provide for full rank escalation.

Employees covered by benefit terms. At December 31, 2021, 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, 2021

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, 2021, 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. The actuarial valuation as of January 1, 2020, determines the contribution amounts for 2021 and 2022. Contributions to the pension plan from the City of Pueblo were \$1,278,836 for the year ended December 31, 2021.

Net Pension Liability

The City of Pueblo's net pension liability was measured as of December 31, 2020, 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	15 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.
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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.
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City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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, 2020. 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, 2020, 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%	0.1%
Fixed Income – Rates	33.0%	2.3%
Fixed Income – Credit	6.0%	3.5%
Absolute Return	6.0%	5.6%
Long/Short	6.0%	6.9%
Global Public Equity	17.0%	7.8%
Private Capital	27.0%	10.5%
Total	100.00%	

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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 2.00% (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 12/31/2020	\$ 60,882,005	\$ 47,491,462	\$ 13,390,543
Changes for the year:			
Service cost	-	-	-
Interest	3,784,065	-	3,784,065
Differences between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contributions - employer	-	1,278,836	(1,278,836)
Contributions - employee	-	-	-
Net investment income	-	4,636,962	(4,636,962)
Benefit payments	(5,416,523)	(5,416,523)	-
Administrative expense	-	(25,160)	25,160
Net changes	(1,632,458)	474,115	(2,106,573)
Balances at 12/31/2021	\$ 59,249,547	\$ 47,965,577	\$ 11,283,970

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	\$ 16,208,242	\$ 11,283,970	\$ 6,992,827

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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, 2021, the City of Pueblo recognized pension expense of \$318,531. At December 31, 2021, 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	\$ 1,418,296	\$ 3,394,172
Contributions subsequent to the measurement date	1,278,836	-
Total	<u>\$ 2,697,132</u>	<u>\$ 3,394,172</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, 2022. 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	
2022	\$ (743,938)
2023	(93,076)
2024	(802,226)
2025	(336,636)
	<u>\$ (1,975,876)</u>

Payable to the pension plan

At December 31, 2021, 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, 2021.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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 (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained 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 (COLA) benefits are increased in proportion to pay for rank at retirement. The current law has limited the increase to 3% for benefits earned after January 1, 1980. Survivor benefits equal to one-third of the salary of a first-grade Firefighter at the time of retirement, but not less than \$750 per month, are not eligible for rank escalation increases. Survivor benefits based on the actuarially equivalent Option A or Option B are eligible for rank escalation increases.

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

Employees covered by benefit terms. At December 31, 2021, 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, 2021, 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. The actuarial valuation as of January 1, 2020, determines the contribution rates for 2021 and 2022. Contributions to the pension plan from the City of Pueblo were \$1,519,685 for the year ended December 31, 2021.

Net Pension Liability

The City of Pueblo's net pension liability was measured as of December 31, 2020, 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	12 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.
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City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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, 2020. 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, 2020 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%	0.1%
Fixed Income – Rates	33.0%	2.3%
Fixed Income – Credit	6.0%	3.5%
Absolute Return	6.0%	5.6%
Long/Short	6.0%	6.9%
Global Public Equity	17.0%	7.8%
Private Capital	27.0%	10.5%
Total	<u>100.00%</u>	

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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 2.00% (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 12/31/2020	\$ 48,155,483	\$ 32,802,980	\$ 15,352,503
Changes for the year:			
Service cost	-	-	-
Interest	2,985,886	-	2,985,886
Differences between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contributions - employer	-	1,519,685	(1,519,685)
Contributions - employee	-	-	-
Net investment income	-	3,188,660	(3,188,660)
Benefit payments	(4,508,516)	(4,508,516)	-
Administrative expense	-	(28,368)	28,368
Net changes	(1,522,630)	171,461	(1,694,091)
Balances at 12/31/2021	\$ 46,632,853	\$ 32,974,441	\$ 13,658,412

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	\$ 17,321,201	\$ 13,658,412	\$ 10,449,931

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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, 2021, the City of Pueblo recognized pension expense of \$608,761. At December 31, 2021, 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	\$ 988,618	\$ 2,347,688
Contributions subsequent to the measurement date	1,519,685	-
Total	<u>\$ 2,508,303</u>	<u>\$ 2,347,688</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, 2022. 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	
2022	\$ (515,866)
2023	(59,148)
2024	(553,458)
2025	(230,598)
	<u>\$ (1,359,070)</u>

Payable to the pension plan

At December 31, 2021, 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, 2021.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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	\$ 16,545,782	\$ -	\$ 7,936,689	\$ 18,256,427	\$ 1,016,223
FPPA New Hire Fire and Police	-	6,882,083	12,428,152	7,096,262	2,145,908
FPPA Old Hire Fire	13,658,412	-	2,508,303	2,347,688	608,761
FPPA Old Hire Police	11,283,970	-	2,697,132	3,394,172	318,531
City of Pueblo Total	<u>41,488,164</u>	<u>6,882,083</u>	<u>25,570,276</u>	<u>31,094,549</u>	<u>4,089,423</u>
Discretely Presented Component Unit-PURA					
PERA	<u>347,696</u>	-	<u>222,799</u>	<u>376,014</u>	<u>91,134</u>
PURA Total	<u>347,696</u>	-	<u>222,799</u>	<u>376,014</u>	<u>91,134</u>
Total	<u>\$ 41,835,860</u>	<u>\$ 6,882,083</u>	<u>\$ 25,793,075</u>	<u>\$ 31,470,563</u>	<u>\$ 4,180,557</u>

The net pension liability for the primary government includes \$4,804,530 allocated to business-type activities.

\$8,008,396 and \$69,062 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, 2022. 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>
2022	\$ (4,080,451)	\$ (79)
2023	(1,999,688)	(35,393)
2024	(8,219,427)	(127,462)
2025	(2,991,818)	(59,343)
2026	1,471,896	-
Thereafter	<u>2,286,819</u>	<u>-</u>
Total	<u>\$ (13,532,669)</u>	<u>\$ (222,277)</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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, 2021

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 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 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 \$238,314 and \$5,191 respectively, for the year ended December 31, 2021.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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, 2021, the City of Pueblo and PURA reported a liability of \$2,299,545 and \$48,338, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF 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, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The City of Pueblo and PURA proportion of the net OPEB liability was based on the City of Pueblo and PURA contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the City of Pueblo and PURA's proportion was 0.247 percent, which was a decrease of 0.005 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City of Pueblo and PURA recognized OPEB expense of \$53,350 and \$3,950, respectively. At December 31, 2021, 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	\$ 6,103	\$ 505,550
Net difference between projected and actual earnings on OPEB plan investments	-	93,962
Changes in assumptions	17,182	141,006
Changes in proportionate share	61,675	118,064
Differences between contributions recognized and proportionate share of contributions	-	1,649
Contributions subsequent to the measurement date	238,314	-
City of Pueblo Total	<u>323,274</u>	<u>860,231</u>
<u>Discretely Presented Component Unit - PURA</u>		
Difference between expected and actual experience	128	10,627
Net difference between projected and actual earnings on OPEB plan investments	-	1,975
Changes in assumptions	361	2,964
Changes in proportionate share	11,514	-
Differences between contributions recognized and proportionate share of contributions	-	33
Contributions subsequent to the measurement date	5,191	-
PURA Total	<u>17,194</u>	<u>15,599</u>
Total	<u>\$ 340,468</u>	<u>\$ 875,830</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

\$238,314 and \$5,191, respectively, 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, 2022. 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>
2022	\$ (168,922)	\$ (973)
2023	(155,777)	(697)
2024	(187,644)	(1,059)
2025	(185,781)	(930)
2026	(72,503)	56
Thereafter	(4,644)	7
	<u>\$ (775,271)</u>	<u>\$ (3,596)</u>

Actuarial assumptions. The total OPEB liability in the December 31, 2019 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	8.10 percent in 2020, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent for 2020, gradually increasing to 4.50 in 2029

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

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 2020 for the PERA Benefit Structure:

<u>Medicare Plan</u>	<u>Initial Costs for Members without Medicare Part A</u>		
	<u>Monthly Cost</u>	<u>Monthly Premium</u>	<u>Monthly Cost Adjusted to Age 65</u>
Medicare Advantage/Self-Insured Rx	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	\$621	\$232	\$586

The 2020 Medicare Part A premium was \$458 (actual dollars) per month.

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 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, 2019, 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>
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
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%

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

Mortality assumptions used in the December 31, 2019, valuation 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:

- **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.

The mortality assumption for disable retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.20 – 11.30 percent

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rate of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total OPEB liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the JCTF, using a headcount-weighted basis.

Pre-retirement mortality assumptions for State and Local Government Divisions were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87 percent of the rates prior to age 80 and 109 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

The mortality table described above are generational mortality tables on a head-count weighted basis.

The following health care cost assumptions were updated and used in the roll forward calculation 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 2020 plan year.
- 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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

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 the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption, 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.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020.00As of the most recent reaffirmation of the long-term rate of return, 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>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	<u>100.00%</u>	

¹The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

Sensitivity of the City of Pueblo and PURA 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:

	1% Decrease in Trend Rates	Current Trend Rates	1 % Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
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	\$ 2,240,109	\$ 2,299,545	\$ 2,368,735
Proportionate share of the net OPEB liability - PURA	\$ 47,089	\$ 48,338	\$ 49,792

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:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, 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 3.00%.
- 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.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

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	<u>\$ 2,634,170</u>	<u>\$ 2,299,545</u>	<u>\$ 2,013,634</u>
Proportionate share of the net OPEB liability - PURA	<u>\$ 55,372</u>	<u>\$ 48,338</u>	<u>\$ 42,328</u>

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.

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. The plan is a single employer, defined benefit plan.

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, 2021, 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>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

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, 2021, the City of Pueblo reported a net OPEB liability of \$8,011,130. The net OPEB liability for the Police Unit was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020 using data as of that date provided by the City and rolled forward to the measurement date of December 31, 2021.

The changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balance at 12/31/2020	\$ 7,362,289
Changes for the year:	
Service cost	780,822
Interest	156,717
Changes in assumptions	(242,389)
Benefit payments, including refunds of employee contributions	(46,309)
Net change in total OPEB liability	648,841
Balance at 12/31/2021	\$ 8,011,130

For the year ended December 31, 2021, the City of Pueblo recognized OPEB expense of \$699,556. At December 31, 2021, 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	\$ -	\$ 203,174
Difference in changes of assumptions	-	1,800,080
Total	\$ -	\$ 2,003,254

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

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	
2022	\$ (191,674)
2023	(191,674)
2024	(191,674)
2025	(191,674)
2026	(191,674)
Thereafter	(1,044,884)
	<u>\$ (2,003,254)</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	2.25%
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-2021. MP-2021 was released by the Society of Actuaries (SOA) in October 2021. 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-2021. 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-2021. The mortality assumptions used for the previous valuation were the RP-2014 Mortality Tables and were projected using mortality improvement scale MP-2020.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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>\$ 6,877,566</u>	<u>\$ 8,011,130</u>	<u>\$ 9,382,587</u>

Discount rate. The discount rate at the measurement date is 2.25%. 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, 2021. The discount rate at the previous measurement date is 1.93% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020.

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>\$ 8,794,851</u>	<u>\$ 8,011,130</u>	<u>\$ 7,284,855</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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. The plan is a single employer, defined benefit plan.

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, 2021, 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.

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, 2021, the City of Pueblo reported a net OPEB liability of \$5,947,265. The net OPEB liability for the Fire Unit was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020 using data as of that date provided by the City and rolled forward to the measurement date of December 31, 2021.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

The changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balance at 12/31/2020	\$ 5,656,820
Changes for the year:	
Service cost	501,109
Interest	117,202
Changes in assumptions	(156,439)
Benefit payments, including refunds of employee contributions	(171,427)
Net change in total OPEB liability	290,445
Balance at 12/31/2021	<u>\$ 5,947,265</u>

For the year ended December 31, 2021, the City of Pueblo recognized OPEB expense of \$238,347. At December 31, 2021, 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	\$ -	\$ 382,861
Difference in changes of assumptions	-	1,322,365
Total	<u>\$ -</u>	<u>\$ 1,705,226</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	
2022	\$ (208,537)
2023	(208,537)
2024	(208,537)
2025	(208,537)
2026	(208,537)
Thereafter	(662,541)
	<u>\$ (1,705,226)</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

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	2.25%
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-2021. MP-2021 was released by the Society of Actuaries (SOA) in October 2021. 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-2021. 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-2021. The mortality assumptions used for the previous valuation were the RP-2014 Mortality Tables and were projected using mortality improvement scale MP-2020.

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>\$ 5,213,805</u>	<u>\$ 5,947,265</u>	<u>\$ 6,821,732</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

Discount rate. The discount rate at the measurement date is 2.25%. 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, 2021. The discount rate at the previous measurement date is 1.93% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020.

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	\$ 6,452,117	\$ 5,947,265	\$ 5,476,032

SUMMARY OF ALL OPEB PLANS

	Net OPEB <u>Liability</u>	Net OPEB <u>Assets</u>	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>	OPEB <u>Expense</u>
<u>Primary Government - City of Pueblo</u>					
PERA	\$ 2,299,545	\$ -	\$ 323,274	\$ 860,231	\$ 53,350
Police Unit	8,011,130	-	-	2,003,254	699,556
Fire Unit	5,947,265	-	-	1,705,226	238,347
City of Pueblo Total	<u>16,257,940</u>	<u>-</u>	<u>323,274</u>	<u>4,568,711</u>	<u>991,253</u>
<u>Discretely Presented Component Unit - PURA</u>					
PERA	48,338	-	17,194	15,599	3,950
PURA Total	<u>48,338</u>	<u>-</u>	<u>17,194</u>	<u>15,599</u>	<u>3,950</u>
Total	<u>\$ 16,306,278</u>	<u>\$ -</u>	<u>\$ 340,468</u>	<u>\$ 4,584,310</u>	<u>\$ 995,203</u>

The net OPEB liability for the primary government includes \$668,452 allocated to business-type activities.

\$238,314 and \$5,191 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, 2022. 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	City of Pueblo	PURA
2022	\$ (569,133)	\$ (973)
2023	(555,988)	(697)
2024	(587,855)	(1,059)
2025	(585,992)	(930)
2026	(472,714)	56
Thereafter	<u>(1,712,069)</u>	<u>7</u>
	<u>\$ (4,483,751)</u>	<u>\$ (3,596)</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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, 2021:

	Balance January 1, 2021	Increases	Decreases	Balance December 31, 2021	Due Within One Year
Governmental activities					
Certificates of participation -					
LED street lights, series 2014	\$ 1,794,753	\$ -	\$ (431,951)	\$ 1,362,802	\$ 442,922
Police complex, refunded 2016	7,271,950	-	(2,372,371)	4,899,579	2,423,614
	<u>9,066,703</u>	<u>-</u>	<u>(2,804,322)</u>	<u>6,262,381</u>	<u>2,866,536</u>
Capital leases -					
Tyler ERP system	583,051	-	(200,654)	382,397	204,404
Fire pumper/Phone upgrade	264,191	-	(264,191)	-	-
Police vehicles	230,348	-	(230,348)	-	-
Fire equipment	335,699	-	(79,799)	255,900	82,489
Police mobile equipment	390,796	-	(192,349)	198,447	198,447
Police vehicles	921,328	-	(298,078)	623,250	307,020
	<u>2,725,413</u>	<u>-</u>	<u>(1,265,419)</u>	<u>1,459,994</u>	<u>792,360</u>
Accrued interest payable	<u>137,997</u>	<u>64,482</u>	<u>(137,997)</u>	<u>64,482</u>	<u>64,482</u>
Compensated absences	<u>5,609,617</u>	<u>5,854,110</u>	<u>(6,266,018)</u>	<u>5,197,709</u>	<u>519,771</u>
Claims and judgments	<u>468,817</u>	<u>1,595,280</u>	<u>(504,881)</u>	<u>1,559,216</u>	<u>1,325,333</u>
Net pension liability	<u>45,486,235</u>	<u>-</u>	<u>(8,802,601)</u>	<u>36,683,634</u>	<u>-</u>
Net OPEB liability	<u>14,986,354</u>	<u>603,134</u>	<u>-</u>	<u>15,589,488</u>	<u>-</u>
Total governmental activities	<u>\$ 78,481,136</u>	<u>\$ 8,117,006</u>	<u>\$ (19,781,238)</u>	<u>\$ 66,816,904</u>	<u>\$ 5,568,482</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 applicable 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, 2021
Tyler ERP system	\$ 1,924,275	\$ 1,154,565
Police mobile equipment	928,697	928,697
Police vehicles	1,472,052	813,326
Fire equipment	<u>488,836</u>	<u>131,060</u>
	<u>\$ 4,813,860</u>	<u>\$ 3,027,648</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

	Balance January 1, 2021	Increases	Decreases	Balance December 31, 2021	Due Within One Year
Business-type activities:					
Capital leases -					
Elmwood golf course	\$ 156,492	\$ -	\$ (77,010)	\$ 79,482	\$ 79,482
Walking Stick golf course	722,080	-	(264,137)	457,943	275,530
Total	878,572	-	(341,147)	537,425	355,012
Notes payable - sewer user fund					
2003 issue	1,884,956	-	(439,641)	1,445,315	445,136
2009 issue	712,500	-	(75,000)	637,500	75,000
2010 issue	13,095,637	-	(1,174,960)	11,920,677	1,201,709
Unamortized premium	673,097	-	(70,236)	602,861	70,236
2014 issue	3,231,263	-	(191,496)	3,039,767	192,882
	19,597,453	-	(1,951,333)	17,646,120	1,984,963
Notes payable - stormwater fund					
2018 issue	6,286,713	-	(289,102)	5,997,611	295,890
Unamortized premium	182,774	-	(10,154)	172,620	10,154
	6,469,487	-	(299,256)	6,170,231	306,044
Accrued interest payable	337,214	303,798	(337,214)	303,798	303,798
Compensated absences	881,562	796,376	(866,028)	811,910	81,192
Net pension liability	6,895,368	-	(2,090,838)	4,804,530	-
Net OPEB liability	809,030	-	(140,578)	668,452	-
Total business-type activities	<u>\$ 35,868,686</u>	<u>\$ 1,100,174</u>	<u>\$ (6,026,394)</u>	<u>\$ 30,942,466</u>	<u>\$ 3,031,009</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, 2021
Elmwood golf course equipment	\$ 403,453	\$ 242,891
Walking stick golf course equipment	2,218,337	991,031
	<u>\$ 2,621,790</u>	<u>\$ 1,233,922</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

	Balance January 1, 2021	Increases	Decreases	Balance December 31, 2021	Due Within One Year
Pueblo Urban Renewal Authority discretely-presented component unit					
Improvement revenue bonds, series 2011B	\$ 115,000	\$ -	\$ (115,000)	\$ -	\$ -
Convention Center sales tax increment bond Series 2017	12,320,000	-	(2,140,000)	10,180,000	2,305,000
Unamortized discount	(111,786)	-	6,987	(104,799)	(6,987)
	<u>12,208,214</u>	<u>-</u>	<u>(2,133,013)</u>	<u>10,075,201</u>	<u>2,298,013</u>
Convention Center tax-exempt refunding Series 2011B	305,000	-	(305,000)	-	-
Unamortized premium	-	-	-	-	-
	<u>305,000</u>	<u>-</u>	<u>(305,000)</u>	<u>-</u>	<u>-</u>
Expanded Downtown refunding, series 2020	<u>5,350,000</u>	<u>-</u>	<u>(545,000)</u>	<u>4,805,000</u>	<u>555,000</u>
Lake Minnequa TIF refunding, series 2020	<u>2,375,000</u>	<u>-</u>	<u>(165,000)</u>	<u>2,210,000</u>	<u>170,000</u>
North Pueblo TIF refunding, series 2020	<u>3,460,000</u>	<u>-</u>	<u>(305,000)</u>	<u>3,155,000</u>	<u>315,000</u>
Memorial Hall taxable refunding, series 2020	9,497,324	-	(230,536)	9,266,788	442,175
Unamortized premium	229,508	-	(12,750)	216,758	12,750
	<u>9,726,832</u>	<u>-</u>	<u>(243,286)</u>	<u>9,483,546</u>	<u>454,925</u>
Evraz TIF Series 2021A	<u>-</u>	<u>88,095,000</u>	<u>-</u>	<u>88,095,000</u>	<u>-</u>
Evraz TIF Series 2021B	<u>-</u>	<u>3,065,033</u>	<u>-</u>	<u>3,065,033</u>	<u>-</u>
Convention Center taxable refunding, series 2020	3,067,676	-	(74,464)	2,993,212	142,825
Unamortized premium	74,131	-	(4,118)	70,013	4,118
	<u>3,141,807</u>	<u>-</u>	<u>(78,582)</u>	<u>3,063,225</u>	<u>146,943</u>
Obligation under capital leases	<u>248,525</u>	<u>-</u>	<u>(37,294)</u>	<u>211,231</u>	<u>38,995</u>
Accrued interest payable	<u>41,110</u>	<u>3,681,350</u>	<u>(3,335,692)</u>	<u>386,768</u>	<u>386,768</u>
Compensated absences	<u>58,276</u>	<u>63,672</u>	<u>(56,234)</u>	<u>65,714</u>	<u>56,234</u>
Net pension liability	<u>430,277</u>	<u>(21,391)</u>	<u>(61,190)</u>	<u>347,696</u>	<u>-</u>
Net OPEB liability	<u>50,647</u>	<u>103</u>	<u>(2,412)</u>	<u>48,338</u>	<u>-</u>
Total Pueblo Urban Renewal Authority discretely-presented component unit	<u>\$ 37,510,688</u>	<u>\$ 94,883,767</u>	<u>\$ (7,382,703)</u>	<u>\$ 125,011,752</u>	<u>\$ 4,421,878</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

	Balance January 1, 2021	Increases	Decreases	Balance December 31, 2021	Due Within One Year
Pueblo Municipal Rail Corporation discretely-presented component unit					
Note payable	\$ 2,187,537	\$ -	\$ (70,000)	\$ 2,117,537	\$ 1,490,158
Accrued interest payable	<u>462,775</u>	<u>71,095</u>	<u>-</u>	<u>533,870</u>	<u>533,871</u>
Total Pueblo Municipal Rail Corporation discretely-presented component unit activities	<u>\$ 2,650,312</u>	<u>\$ 71,095</u>	<u>\$ (70,000)</u>	<u>\$ 2,651,407</u>	<u>\$ 2,024,029</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 1.25%; 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 \$15,210,994	\$ 4,899,579
\$4,200,000 certificates of participation issue of Pueblo Municipal Building Corporation; interest rate of 0.90%; 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 \$1,690,763	<u>1,362,802</u> 6,262,381

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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	382,397
\$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	255,900
\$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	198,447
\$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	623,250
	<u>1,459,994</u>

Other obligations

Accrued interest payable	64,482
Compensated absences	5,197,709
Self-insured claims and judgments	1,559,216
Net pension liability	36,683,634
Net OPEB liability	15,589,488
	<u>59,094,528</u>

Total governmental activities	<u>\$ 66,816,904</u>
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City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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>
2022	\$ 2,866,536	\$ 67,103	\$ 2,933,639
2023	2,930,137	33,782	2,963,919
2024	465,708	5,821	471,529
	<u>\$ 6,262,381</u>	<u>\$ 106,706</u>	<u>\$ 6,369,087</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>
2022	\$ 792,359	\$ 40,759	\$ 833,118
2023	579,493	18,402	597,895
2024	88,142	2,970	91,112
	<u>\$ 1,459,994</u>	<u>\$ 62,131</u>	<u>\$ 1,522,125</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, 2021 is \$388,041.

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, 2021

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	\$ 356,189
\$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	79,482
\$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	101,754
	<u>537,425</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	1,445,315
\$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	637,500
\$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	11,920,677
\$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	3,039,767

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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

5,997,611
23,040,870

Other obligations

Accrued interest payable	303,798
Compensated absences	811,910
Net pension liability	4,804,530
Net OPEB liability	<u>668,452</u>
	<u>6,588,690</u>

Total business-type activities	<u>\$ 30,166,985</u>
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The debt service requirements for the business-type activities capital leases are as follows:

Year Ending December 31,	Principal	Interest	Total
2022	\$ 355,012	\$ 23,520	\$ 378,532
2023	<u>182,413</u>	<u>9,066</u>	<u>191,479</u>
	<u>\$ 537,425</u>	<u>\$ 32,586</u>	<u>\$ 570,011</u>

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

Year Ending December 31,	Principal	Interest	Total
2022	\$ 2,210,617	\$ 598,212	\$ 2,808,829
2023	2,291,902	526,609	2,818,511
2024	2,369,045	445,923	2,814,968
2025	1,877,628	410,801	2,288,429
2026	1,912,262	387,851	2,300,113
2027-2031	8,688,020	1,141,082	9,829,102
2032-2036	2,847,713	422,188	3,269,901
2037-2038	<u>843,683</u>	<u>44,178</u>	<u>887,861</u>
	<u>\$ 23,040,870</u>	<u>\$ 3,976,844</u>	<u>\$ 27,017,714</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, 2021

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

\$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	\$ 10,180,000
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\$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	4,805,000
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\$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 \$240,180 through December 2032	2,210,000
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\$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	3,155,000
--	-----------

\$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	9,266,788
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\$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	2,993,212
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\$88,095,000 tax increment revenue bonds series 2021; interest rate 4.75%; due in semi-annual installments including annual interest ranging from \$2,092,256 to \$6,763,606 through December 2045	88,095,000
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\$3,065,033 tax increment revenue bonds series 2021; interest rate 5.00%; due in one installment including interest of \$3,860,000 in December 2025	<u>3,065,033</u> <u>123,770,033</u>
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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	63,658
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\$193,498 obligation under capital lease; interest rate of 4.54%; due in monthly installments including interest of \$2,714 through February 2027	<u>147,573</u> <u>211,231</u>
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City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

Other obligations

Accrued interest payable	386,758
Compensated absences	65,714
Net pension liability	347,696
Net OPEB liability	48,338
	<u>848,516</u>

Total Pueblo Urban Renewal Authority discretely-presented component unit activities	<u>\$124,829,780</u>
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The debt service requirements for the Pueblo Urban Renewal Authority discretely-presented component unit are as follows:

<u>Year Ending December 31</u>	<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,482,175	\$ 4,641,213
2023	1,526,072	4,600,968
2024	1,574,968	4,559,375
2025	5,757,560	5,320,931
2026	6,318,865	4,440,438
2027-2031	28,396,833	18,479,210
2032-2036	21,361,615	13,146,965
2037-2041	22,673,733	8,314,042
2042-2045	21,505,000	2,617,727
	<u>\$ 110,596,821</u>	<u>\$ 66,120,869</u>

<u>Year Ending December 31</u>	<u>Revenue Bonds</u>		<u>Capital Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	341,135	419,081	41,553	1,067
2027-2031	2,338,167	1,874,087	2,702	9
2032-2036	6,938,385	1,220,672	-	-
2037-2038	416,267	17,221	-	-
	<u>\$ 13,173,212</u>	<u>\$ 5,328,989</u>	<u>\$ 211,231</u>	<u>\$ 24,669</u>

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

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 2021, 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.

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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

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 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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

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 \$88,095,000 Tax Increment Revenue Bonds Series 2021A and the \$3,065,033 Tax Increment Revenue Bonds Series 2021B bonds were issued by the Authority for the purpose of providing funds for a portion of certain public improvements of the long-rail mill to be constructed in the EVRAZ Rail Urban Renewal Area. These public improvements are primarily environmental in nature and are all certified as public improvements necessary for the project. Interest and principal on this note are payable from the pledged incremental property taxes generated within the EVRAZ Rail Urban Renewal Area. A capitalized interest fund of \$11,170,324 was created as part of these combined issuances that will fund debt service payments from 2021 through 2023 until the anticipated property tax collections are sufficient to fund the annual debt service requirements.

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, 2021. As of December 31, 2021, 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. These defeased bonds were fully paid off in 2021 from the remaining proceeds in the escrow account established for that purpose.

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

\$ 2,117,537

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>
2022	\$ 1,490,158	\$ 469,984	\$ 1,960,142
2023	627,379	172,807	800,186
	<u>\$ 2,117,537</u>	<u>\$ 642,791</u>	<u>\$ 2,760,328</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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, 2021, is as follows:

	Governmental Activities	Pueblo Urban Renewal Authority
Pension	\$ 6,882,083	\$ -
Tabor	3,440,722	
Economic development	108,925,588	-
Debt service and district projects	-	516,076
Capital projects	4,951,865	-
Public safety	6,076,602	-
Public works	11,152,622	-
Parks and recreation	1,509,339	-
Culture and community welfare	5,363,102	-
	<u>\$ 148,301,923</u>	<u>\$ 516,076</u>

Restricted for TABOR – This represents approximately 3% of the City’s 2021 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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

J. NET POSITION, Continued

Explanation of certain differences between the proprietary fund statement of net position and the government-wide statement of net position – The proprietary fund statement of net position includes a reconciliation between net position-total enterprise funds and net position of business-type activities as reported in the government-wide statement of net position. The description of the sole element of that reconciliation is “adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the business-type activities over time.” The details of the (\$4,550,978) difference are as follows:

Internal receivable representing charges in excess of cost to business-type activities-prior years, Pueblo Transit	\$ (2,560,588)
Internal receivable representing charges in excess of cost to business-type activities-prior years, Internal Service Fund	(1,838,949)
Internal receivable representing costs in excess of charges to business-type activities-current year, Pueblo Transit	146,155
Internal receivable representing charges in excess of cost to business-type activities-current year, Internal Service Fund	<u>(297,596)</u>
Net adjustment to decrease net position - total enterprise funds to arrive at net position - business-type activities	<u><u>\$ (4,550,978)</u></u>

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, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

K. FUND BALANCES

At December 31, 2021, 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 Improvements Funds	Other Governmental Funds	
Fund Balances -						
Nonspendable -						
Inventories	\$ 33,870	\$ -	\$ -	\$ -	\$ -	\$ 33,870
Prepaid items	803,729	-	-	-	-	803,729
Long-term fund advances	1,704,741	-	-	-	-	1,704,741
Total Nonspendable	2,542,340	-	-	-	-	2,542,340
Restricted - Tabor	3,440,722	-	-	-	-	3,440,722
Economic development incentives	-	108,925,588	-	-	-	108,925,588
Low and moderate income assistance	-	-	4,742,779	-	385,059	5,127,838
Streets, highways and bridges	-	-	-	-	7,774,597	7,774,597
Police and fire assistance	-	-	-	-	6,076,602	6,076,602
Parks and recreation projects	-	-	-	-	1,509,339	1,509,339
Waste and other disposal	-	-	-	-	3,378,025	3,378,025
District maintenance	-	-	-	-	167,339	167,339
Cemetery maintenance	-	-	-	-	15,440	15,440
Capital projects	-	-	-	4,782,321	169,544	4,951,865
Total Restricted	3,440,722	108,925,588	4,742,779	4,782,321	19,475,945	141,367,355
Committed -						
Minimum reserve	11,178,497	-	-	-	-	11,178,497
Capital projects	-	-	-	104,831	-	104,831
Total Committed	11,178,497	-	-	104,831	-	11,283,328
Assigned -						
Subsequent years' expenditures	4,228	-	-	-	-	4,228
Year-end sales and use tax receivable	8,017,145	-	-	-	-	8,017,145
Capital projects	-	-	-	4,128,145	-	4,128,145
Long-term fund advances	-	-	-	747,000	-	747,000
Parks and recreation projects	-	-	-	-	58,462	58,462
Donor specified projects	-	-	-	-	272,091	272,091
Total Assigned	8,021,373	-	-	4,875,145	330,553	13,227,071
Total Unassigned	28,034,619	-	-	-	-	28,034,619
	<u>\$ 53,217,551</u>	<u>\$ 108,925,588</u>	<u>\$ 4,742,779</u>	<u>\$ 9,762,297</u>	<u>\$ 19,806,498</u>	<u>\$ 196,454,713</u>

City Council has committed 12% 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, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

L. PRIOR PERIOD ADJUSTMENTS

Certain prior period adjustments have been recorded to more accurately present activities of the City. The following illustrates these adjustments and their effect on beginning fund balance and net position, as applicable.

	Governmental Funds		
	HUD Grants	Public Improvement Funds	Inter- governmental Fund
Fund balance as previously reported at December 31, 2020	\$ 5,285,370	\$ 6,745,130	\$ 9,365,658
Repayment of advances recorded as deferred inflows in prior period	-	-	1,021,460
Change in A/P policy related to construction-related contracts	(25,671)	(664,327)	-
Fund balance as restated, January 1, 2021	<u>\$ 5,259,699</u>	<u>\$ 6,080,803</u>	<u>\$ 10,387,118</u>

	Proprietary Funds Sewer User Fund
Net position as previously reported at December 31, 2020	\$ 115,078,994
Change in A/P policy related to construction-related contracts	(867,565)
Net position as restated, January 1, 2021	<u>\$ 114,211,429</u>

	Governmental Activities	Business-type Activities
Net position as previously reported at December 31, 2020	\$ 462,540,030	\$ 234,379,388
Change in A/P policy related to construction-related contracts	(52,540)	(867,565)
Net position as restated, January 1, 2021	<u>\$ 462,487,490</u>	<u>\$ 233,511,823</u>

It was determined during the year that the City's policy on recording construction-related contracts was not in accordance with generally accepted accounting principles. Adjustments were made in several funds in the prior period to correct this issue, and the City has adopted a new policy in the current year.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES FOR ALL FUNDS, Continued

L. PRIOR PERIOD ADJUSTMENTS, Continued

The City has determined that certain transactions in the Intergovernmental Fund were recorded incorrectly in the prior year. Intergovernmental revenue was understated and deferred inflows were overstated by \$1,021,460 as a repayment from PURA of prior advances was not properly recognized as revenue. These advances were initially recorded as expenditures due to repayment uncertainty, and therefore should have been recognized as revenue upon repayment.

IV. OTHER NOTE DISCLOSURES

A. RISK MANAGEMENT

The City and PURA are 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. PURA is covered by commercial insurance. The membership agreement provides that the pool be self-sustaining through member premiums and reinsure with commercial companies for claims in excess of \$500,000 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 2021. Claims and insurance costs are recognized as expenses in the internal service fund and totaled \$4,234,584 for the year ended December 31, 2021. At December 31, 2021, the actuarially determined loss reserve for self-insured workmen's compensation claims totaled \$1,559,216 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, 2021 and 2020 are as follows:

	<u>Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Estimated claims liability, January 1	\$ 468,817	\$ 1,406,510
Current year claims and changes in estimates	(504,881)	619,592
Current year payments	1,595,280	(1,557,285)
Estimated claims liability, December 31	<u>\$ 1,559,216</u>	<u>\$ 468,817</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 \$11,918,236 for the year ended December 31, 2021, resulting in a 88.9% loss ratio to the budget accruals.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

IV. OTHER NOTE DISCLOSURES, Continued

A. RISK MANAGEMENT, Continued

Evraz Project Area (PURA) – Certain international events and action have occurred subsequent to December 31, 2021, that appear to have negatively impacted major shareholders of Evraz, PLC, Evraz North America’s parent corporation. PURA management is not aware of any specific impacts to Evraz North America or to the rail mill project as a result of these events or actions. However, the international situation continues to develop and any future impacts are unknown at this time.

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 0.40% of covered salary and for the City of Pueblo the contribution rate is 2.60% of covered salary. The contribution rate for new-hire fire members is 0.00% of covered salary and for the City of Pueblo the contribution rate is 3.00% of covered salary. The City of Pueblo’s contributions to the statewide death and disability plan for the years ended December 31, 2021, 2020, 2019, and 2018 were \$630,710, \$612,637, \$575,636, and \$501,804, respectively, equal to their required contributions for each year.

B. OTHER REPORTING ENTITY DISCLOSURES

JOINT VENTURES

For the following joint ventures, the City has an ongoing financial responsibility and not an ongoing financial interest accounted for on the equity method.

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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

IV. OTHER NOTE DISCLOSURES, Continued

B. OTHER REPORTING ENTITY DISCLOSURES, Continued

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 2021. 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 \$361,058 for 2021.

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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

IV. OTHER NOTE DISCLOSURES, Continued

B. OTHER REPORTING ENTITY DISCLOSURES, Continued

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 2021, 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>	
2022	\$ 131,600
2023	135,800
2024	140,150
2025	147,826
2026	147,826
	<u>\$ 703,202</u>

The City previously 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>	
2022	\$ 451,848
2023	451,848
2024	451,848
	<u>\$ 1,355,544</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

IV. OTHER NOTE DISCLOSURES, Continued

C. COMMITMENTS AND CONTINGENCIES, Continued

OTHER COMMITMENTS AND CONTINGENCIES

As a result of the continuing COVID-19 pandemic, economic uncertainties have arisen which may negatively impact operations of the City, including receipt of property and sales tax revenues and valuation of marketable securities. The Discretely Presented Component unit, Pueblo Urban Renewal Authority's economic uncertainties that may negatively impact their operations include receipt of property tax revenues and cancellation of events at the Convention Center. While the situation is expected to be temporary, the related financial impact and duration cannot be reasonably estimated at this time.

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 commitment was completed in 2021 with the final installment of \$200,000.

Encumbrances are commitments related to unperformed (executory) contracts for goods and services. Encumbrances outstanding at December 31, 2021 are not accounted for as expenditures and liabilities but are included in fund balance. Encumbrances outstanding at December 31, 2021 for governmental funds are as follows:

General fund	\$ 72,612
Economic development 1/2 cent tax fund	1,602
HUD grants fund	202,886
Capital projects fund	715,560
Other governmental funds	3,469,724
	<u>\$ 4,462,384</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, 2021

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, 2021.

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, 2021, the debt limit was \$130,634,329 and the debt margin was \$130,634,329.

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, 2021, the City has three active incentive agreements in place:

<u>Purpose</u>	<u>Percentage of Taxes Abated during 2021</u>	<u>Amount of Taxes Abated during 2021</u>
Energy company to provide for generation of electricity to serve the needs of customers in their certified service territory.	50.00%	\$ 1,559,197
Energy company to provide for generation of electricity to serve the needs of customers in their certified service territory.	50.00%	365,349
Energy company to provide for generation of electricity to serve the needs of customers in their certified service territory.	50.00%	<u>69,694</u>
Total		<u>\$ 1,994,240</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

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.

Pueblo Urban Renewal Authority

The Authority entered into an agreement with Thunder Village Metropolitan District (the District) which provides that the Authority will reimburse the District for the costs of certain public improvements. As of December 31, 2021, the District has approximately \$6,466,059 of unreimbursed expenses. The Authority's obligation, however, is limited to the amount of actual tax increment revenues generated within the project taxing area until 2032.

The Authority has also entered into a reimbursement agreement with Vestas Towers America, Inc. in conjunction with the creation of the St. Charles district urban renewal project area. This agreement provides that the Authority will reimburse Vestas Towers America, Inc. for its costs incurred for certain public improvements. The Authority is obligated to reimburse Vestas Towers America, Inc. up to \$12,500,000 plus 4.5% interest per annum subject to the collection of the related tax increment revenues. This agreement also provides that the Authority will pay 50% of the personal property taxes assessed for a period of 10 years beginning in 2012. In conjunction with the reimbursement agreement described above, the Authority also approved a cooperation agreement whereby the Authority will pay to Vestas Towers America, Inc. an amount equal to the Authority's proportion of the total mill levy. In addition, the Authority committed to pay \$6,826,000 to the County of Pueblo and the Board of Water Works of Pueblo after Vestas Towers America, Inc. which has been paid in full. In 2021, the Authority reimbursed Vestas \$583,333 in county personal property tax credits, \$972,206 in Pueblo County Reimbursement, and \$648,137 in Board of Water Works Reimbursement. The principal amount payable to Vestas was paid in full in 2019. Pueblo County reimbursement balance was \$677,703, and the Board of Water Works reimbursement balance was \$1,147,396.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2021

IV. OTHER NOTE DISCLOSURES, Continued

C. COMMITMENTS AND CONTINGENCIES, Continued

In 2012, the Authority, in conjunction with the Colorado Economic Development Commission, approved a resolution dedicating specified sales tax increment revenue for approved regional tourism projects. As required by the resolution and agreement, the Authority has established a special fund to receive these funds. For the year ended December 31, 2021, the Authority recognized sales tax increment revenues of \$4,863,887.

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 Authority believes it is in compliance with the requirements of the amendment. The Authority believes it is exempt from the provisions of the amendment because it is not a taxing body, nor does it have the power to hold elections.

In November of 2021, voters approved Ballot Issue No. 2A, allowing the City to retain and spend the full amount of City revenues received from all sources, including all investment income thereon, with the City's commitment to spend a minimum of \$5,000,000 annually for street maintenance and repairs and road improvements within the City, and exceptions to the revenue, spending and other limitations or conditions which would otherwise apply pursuant to Tabor Amendment of the Colorado constitution or any other law.

Subsequent Events

Management of the City has evaluated subsequent events through September 30, 2022, 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, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budget	Final Budget
			Basis	Positive
				(Negative)
REVENUES AND OTHER				
FINANCING SOURCES				
Taxes	\$ 73,914,339	\$ 73,914,339	\$ 92,760,237	\$ 18,845,898
Licenses and permits	914,000	914,000	1,020,502	106,502
Intergovernmental	3,012,020	3,012,020	3,694,138	682,118
Charges for services	4,465,120	4,465,120	4,928,077	462,957
Fines and forfeits	1,762,100	1,762,100	1,707,579	(54,521)
Other revenue	567,000	567,000	571,926	4,926
Transfers in	3,817,969	3,817,969	3,956,716	138,747
TOTAL REVENUES AND				
OTHER FINANCING SOURCES	88,452,548	88,452,548	108,639,175	20,186,627
EXPENDITURES AND OTHER				
FINANCING USES				
Current -				
General government	13,981,797	13,966,609	12,446,184	1,520,425
Public safety -				
Police	30,524,291	30,452,492	29,427,646	1,024,846
Fire	19,796,874	19,782,771	19,134,723	648,048
Public works	7,601,214	7,569,844	7,010,618	559,226
Parks and recreation	6,731,938	6,730,925	6,047,831	683,094
Culture and community welfare	6,125,469	6,092,429	6,235,679	(143,250)
Nondepartmental	670,000	670,000	675,940	(5,940)
Capital outlay	-	71,513	79,215	(7,702)
Transfers out	10,152,323	12,934,033	12,096,306	837,727
TOTAL EXPENDITURES AND				
OTHER FINANCING USES	95,583,906	98,270,616	93,154,142	5,116,474
EXCESS (DEFICIENCY) OF REVENUES				
AND OTHER FINANCING SOURCES				
OVER EXPENDITURES AND OTHER				
FINANCING USES	(7,131,358)	(9,818,068)	15,485,033	25,303,101
FUND BALANCE, January 1	7,131,358	9,818,068	29,777,316	19,959,248
FUND BALANCE, December 31	\$ -	\$ -	45,262,349	\$ 45,262,349
Adjustment from budgetary basis to				
generally accepted accounting principles				
Accrued sales tax and franchise tax			8,017,145	
Change in allowance for uncollectible account			(61,943)	
Fund balance - generally accepted				
accounting principles			\$ 53,217,551	

See notes to required supplementary information.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
General Fund
Year Ended December 31, 2021

BUDGETARY BASIS

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

REVENUES AND OTHER FINANCING SOURCES	\$ 108,639,175
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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	(6,598,503)
Accrued sales tax and franchise tax, end of year	8,017,145
Change in the allowance for uncollectible accounts	<u>(53,343)</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 110,004,474</u>
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See notes to required supplementary information.

City of Pueblo, Colorado
Budgetary Comparison Schedule
Economic Development 1/2 Cent Tax Fund
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budget	Final Budget
			Basis	Positive
				(Negative)
REVENUES				
Investment earnings (losses)	\$ 850,000	\$ 850,000	\$ 148,284	\$ (701,716)
Rents and other revenue	900,000	900,000	1,297,498	397,498
Sales and use taxes	8,502,000	8,502,000	11,703,630	3,201,630
Disposal of assets	-	-	2,125,000	2,125,000
TOTAL REVENUES AND				
OTHER FINANCING SOURCES	<u>10,252,000</u>	<u>10,252,000</u>	<u>15,274,412</u>	<u>5,022,412</u>
EXPENDITURES AND OTHER				
FINANCING USES				
Current -				
Professional services	350,000	350,000	296,491	53,509
Programs/projects	9,702,000	32,034,436	1,446,481	30,587,955
Capital outlay	-	-	51,330	(51,330)
Transfers out	<u>1,244,000</u>	<u>1,244,000</u>	<u>1,244,000</u>	<u>-</u>
TOTAL EXPENDITURES AND				
OTHER FINANCING USES	<u>11,296,000</u>	<u>33,628,436</u>	<u>3,038,302</u>	<u>30,590,134</u>
NET CHANGE IN FUND BALANCE	(1,044,000)	(23,376,436)	12,236,110	35,612,546
FUND BALANCE, January 1	<u>1,044,000</u>	<u>23,376,436</u>	<u>39,836,577</u>	<u>16,460,141</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>52,072,687</u>	<u>\$ 52,072,687</u>
Adjustment from budgetary basis to generally accepted accounting principles				
Notes and loans receivable, net			<u>56,852,901</u>	
Fund balance - generally accepted accounting principles			<u>\$ 108,925,588</u>	

See notes to required supplementary information.

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, 2021

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	\$ 15,274,412
Differences - budget to GAAP	
Loan payments received	<u>(414,500)</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 14,859,912</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	\$ 3,038,302
Differences - Budget to GAAP	
Loans made during the year	(520,451)
Change in the allowance for uncollectible loans	26,786
Credits awarded to loan recipients for meeting established employment targets	<u>2,767,265</u>

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u>\$ 5,311,902</u>
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See notes to required supplementary information.

City of Pueblo, Colorado
Budgetary Comparison Schedule
HUD Grants Fund
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budget	Final Budget
			Basis	Positive
				(Negative)
REVENUES AND OTHER				
FINANCING SOURCES				
Intergovernmental	\$ 2,000,000	\$ 6,360,803	\$ 1,817,173	\$ (4,543,630)
Loan payments	-	-	706,486	706,486
Other revenue	-	-	236,975	236,975
Transfers in	135,000	100,000	160,000	60,000
TOTAL REVENUES AND				
OTHER FINANCING SOURCES	2,135,000	6,460,803	2,920,634	(3,540,169)
EXPENDITURES AND OTHER				
FINANCING USES				
Current -				
Programs/projects	2,160,000	8,253,170	1,029,824	7,223,346
Capital outlay	-	670,148	496,287	173,861
Transfers out	340,000	892,845	473,302	419,543
TOTAL EXPENDITURES AND	2,500,000	9,816,163	1,999,413	7,816,750
OTHER FINANCING USES				
NET CHANGE IN FUND BALANCE	(365,000)	(3,355,360)	921,221	4,276,581
FUND BALANCE, January 1, as restated	365,000	3,355,360	1,485,058	(1,870,302)
FUND BALANCE, December 31	\$ -	\$ -	2,406,279	\$ 2,406,279
Adjustment from budgetary basis to generally accepted accounting principles				
Loans receivable			3,570,337	
Inventory of land held for resale			116,968	
Deferred inflow of resources related to grants			(1,350,805)	
Fund balance - generally accepted accounting principles			\$ 4,742,779	

See notes to required supplementary information.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
HUD Grants Fund
Year Ended December 31, 2021

BUDGETARY BASIS

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

REVENUES AND OTHER FINANCING SOURCES

Actual amounts (budgetary basis) of revenues and other financing sources from the budgetary comparison schedule	\$ 2,920,634
Differences - budget to GAAP	
Loan payments and other revenue received	(716,774)
Deferred inflows of resources related to grants	<u>(721,367)</u>
GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 1,482,493</u>

See notes to required supplementary information.

City of Pueblo, Colorado
Notes to Required Supplementary Information
Year Ended December 31, 2021

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 2021, 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, 2021

	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability	3.242%	3.291%	3.325%	3.273%	3.203%	3.363%	3.489%	3.626%
City's proportionate share of the net pension liability	\$ 16,893,478	\$ 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	\$ 23,000,641	\$ 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	73.448%	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	90.880%	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, 2021

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 3,172,123	\$ 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>3,172,123</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 24,388,505	\$ 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	13.01%	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, 2021

	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability (asset)	3.170%	3.345%	3.464%	3.672%	3.989%	4.161%	4.395%	4.524%
City's proportionate share of the net pension liability (asset)	\$ (6,882,083)	\$ (1,891,810)	\$ 4,379,447	\$ (5,282,751)	\$ 1,441,379	\$ (73,352)	\$ (4,960,089)	\$ (4,045,301)
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
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-27.038%	-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	106.700%	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, 2021

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 2,106,814	\$ 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>2,106,814</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 24,791,482	\$ 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	8.50%	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, 2021

Measurement Period Ended December 31,	2020	2019	2018	2017	2016	2015	2014
Total pension liability -							
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	3,784,065	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	(5,416,523)	(5,457,839)	(5,510,499)	(5,543,482)	(5,571,276)	(5,721,421)	(5,789,929)
Net change in total pension liability	(1,632,458)	773,722	(1,121,196)	(3,297,030)	(871,566)	1,727,302	(1,142,156)
Total pension liability - beginning	60,882,005	60,108,283	61,229,479	64,526,509	65,398,075	63,670,773	64,812,929
Total pension liability - ending (a)	<u>\$ 59,249,547</u>	<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	\$ 1,278,836	\$ 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	4,636,962	5,627,261	54,766	6,655,302	2,495,649	955,007	3,522,694
Benefit payments, including refunds of employee contributions	(5,416,523)	(5,457,839)	(5,510,499)	(5,543,482)	(5,571,276)	(5,721,421)	(5,789,929)
Administrative expense	(25,160)	(23,292)	(27,991)	(21,358)	(78,233)	(73,229)	(89,300)
Net change in plan fiduciary net position	474,115	1,449,348	(3,912,303)	2,633,134	(1,927,430)	(3,567,292)	(643,019)
Plan fiduciary net position - beginning	47,491,462	46,042,114	49,954,417	47,321,283	49,248,713	52,816,005	53,459,024
Plan fiduciary net position - ending (b)	<u>\$ 47,965,577</u>	<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)	\$ 11,283,970	\$ 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	80.96%	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	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	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, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,278,836	\$ 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>1,278,836</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>\$ -</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	N/A	\$ 99,053
Contributions as a percentage of covered-employee payroll	N/A	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, 2021

Measurement Period Ended December 31,	2020	2019	2018	2017	2016	2015	2014
Total pension liability -							
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	2,985,886	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	(4,508,516)	(4,609,831)	(4,579,672)	(4,451,570)	(4,464,644)	(4,552,205)	(4,561,272)
Net change in total pension liability	(1,522,630)	2,645,772	(1,241,932)	(1,126,763)	(965,731)	814,683	(1,048,389)
Total pension liability - beginning	48,155,483	45,509,711	46,751,643	47,878,406	48,844,137	48,029,454	49,077,843
Total pension liability - ending (a)	<u>\$ 46,632,853</u>	<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	\$ 1,519,685	\$ 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	3,188,660	3,900,787	42,610	4,671,464	1,755,976	674,555	2,511,258
Benefit payments, including refunds of employee contributions	(4,508,516)	(4,609,831)	(4,579,672)	(4,451,570)	(4,464,644)	(4,552,205)	(4,561,272)
Administrative expense	(28,368)	(26,002)	(31,654)	(26,185)	(57,923)	(55,541)	(66,952)
Net change in plan fiduciary net position	171,461	788,492	(3,002,791)	1,739,523	(1,441,996)	(2,633,249)	(1,086,106)
Plan fiduciary net position - beginning	32,802,980	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>\$ 32,974,441</u>	<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)	\$ 13,658,412	\$ 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	70.71%	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	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	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, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,519,685	\$ 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>1,519,685</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>	<u>\$ -</u>
City's covered-employee payroll	N/A	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	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, 2021

	2020	2019	2018	2017	2016
City's proportion of the net OPEB liability	0.247%	0.252%	0.258%	0.254%	0.246%
City's proportionate share of the net OPEB liability	\$ 2,347,883	\$ 2,826,922	\$ 3,510,198	\$ 3,300,984	\$ 3,189,474
City's covered payroll	\$ 23,000,641	\$ 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	10.208%	12.468%	16.097%	15.987%	16.428%
Plan fiduciary net position as a percentage of the total OPEB liability	32.780%	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, 2021

	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 243,505	\$ 232,857	\$ 231,266	\$ 222,427	\$ 210,609	\$ 198,030
Contributions in relation to the contractually required contribution	<u>243,505</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 23,879,542	\$ 23,000,641	\$ 22,673,097	\$ 21,806,582	\$ 20,647,940	\$ 19,414,670
Contributions as a percentage of covered payroll	1.02%	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, 2021

Measurement Period Ended December 31,	2021	2020	2019	2018
Total OPEB liability -				
Service cost	\$ 780,822	\$ 740,047	\$ 725,338	\$ 759,482
Interest	156,717	285,137	291,404	235,428
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	-	(241,008)	-	-
Changes in assumptions	(242,389)	(1,383,690)	(215,658)	(358,105)
Benefit payments, including refunds of employee contributions	(46,309)	(88,672)	(61,219)	(33,697)
Net change in total OPEB liability	648,841	(688,186)	739,865	603,108
Total OPEB liability - beginning	7,362,289	8,050,475	7,310,610	6,707,502
Total OPEB liability - ending	<u>\$ 8,011,130</u>	<u>\$ 7,362,289</u>	<u>\$ 8,050,475</u>	<u>\$ 7,310,610</u>
Covered-employee payroll	N/A	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	N/A

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

Note: There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

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, 2021

Measurement Period Ended December 31,	2021	2020	2019	2018
Total OPEB liability -				
Service cost	\$ 501,109	\$ 481,675	\$ 463,733	\$ 484,285
Interest	117,202	233,771	245,650	204,747
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	-	(473,265)	-	-
Changes in assumptions	(156,439)	(1,165,035)	(110,846)	(265,058)
Benefit payments, including refunds of employee contributions	<u>(171,427)</u>	<u>(217,338)</u>	<u>(171,280)</u>	<u>(97,767)</u>
Net change in total OPEB liability	290,445	(1,140,192)	427,257	326,207
Total OPEB liability - beginning	<u>5,656,820</u>	<u>6,797,012</u>	<u>6,369,755</u>	<u>6,043,548</u>
Total OPEB liability - ending	<u>\$ 5,947,265</u>	<u>\$ 5,656,820</u>	<u>\$ 6,797,012</u>	<u>\$ 6,369,755</u>
Covered-employee payroll	N/A	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	N/A

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

Note: There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

See accompanying Independent Auditor's Report.

Supplementary Information

City of Pueblo, Colorado
Explanation of Funds
December 31, 2021

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, 2021

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, 2021

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, 2021

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, 2021

	Special Revenue				
	Inter- governmental	Special Charges	Stimulus Grants	Police Safety Tax	Southpointe Special District
Assets					
Restricted cash and cash equivalents	\$ 385,637	\$ -	\$ -	\$ -	\$ -
Investments	9,986,299	4,291,221	-	-	141,554
Taxes receivable, net	-	-	-	-	31,001
Due from other funds	-	1,315,257	79,615	2,832,992	-
Receivable from other governments	28,628	-	-	-	-
Other receivables	11,904	734,546	-	481,780	364
Property held for resale	-	-	305,445	-	-
Total assets	\$ 10,412,468	\$ 6,341,024	\$ 385,060	\$ 3,314,772	\$ 172,919
Liabilities					
Accounts payable and accrued liabilities	\$ 364,759	\$ 549,583	\$ -	\$ 35,680	\$ 9,584
Due to other funds	6,250	1,543	1	-	88
Total liabilities	371,009	551,126	1	35,680	9,672
Deferred inflows of resources	371,886	-	-	-	31,001
Fund balances					
Restricted	9,669,573	5,789,898	385,059	3,279,092	132,246
Assigned	-	-	-	-	-
Total fund balances	9,669,573	5,789,898	385,059	3,279,092	132,246
Total liabilities, deferred inflows of resources and fund balances	\$ 10,412,468	\$ 6,341,024	\$ 385,060	\$ 3,314,772	\$ 172,919

				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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 385,637
33,398	-	-	64,470	-	-	14,516,942
40,353	-	-	-	-	-	71,354
-	21,931	25,474	285,002	169,544	-	4,729,815
-	-	-	-	-	-	28,628
334	29,730	41,364	3,947	-	-	1,303,969
-	-	-	-	-	-	305,445
<u>\$ 74,085</u>	<u>\$ 51,661</u>	<u>\$ 66,838</u>	<u>\$ 353,419</u>	<u>\$ 169,544</u>	<u>\$ -</u>	<u>\$ 21,341,790</u>
\$ 234	\$ 50,045	\$ 66,838	\$ 7,387	\$ -	\$ -	\$ 1,084,110
21	-	-	39	-	-	7,942
255	50,045	66,838	7,426	-	-	1,092,052
40,353	-	-	-	-	-	443,240
33,477	1,616	-	15,440	169,544	-	19,475,945
-	-	-	330,553	-	-	330,553
33,477	1,616	-	345,993	169,544	-	19,806,498
<u>\$ 74,085</u>	<u>\$ 51,661</u>	<u>\$ 66,838</u>	<u>\$ 353,419</u>	<u>\$ 169,544</u>	<u>\$ -</u>	<u>\$ 21,341,790</u>
<i>See accompanying Independent Auditor's Report.</i>						

City of Pueblo, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Special Revenue				
	Inter- governmental	Special Charges	Stimulus Grants	Police Safety Tax	Southpointe Special District
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 23,965
Sales and miscellaneous taxes	-	2,955,560	-	4,681,452	2,317
Intergovernmental	5,661,712	-	-	-	-
Charges for services	-	2,703,368	29,900	-	-
Investment earnings (losses)	(45,360)	(14,406)	-	-	(604)
Other revenues	21,375	-	-	2,340	-
Total revenues	5,637,727	5,644,522	29,900	4,683,792	25,678
Expenditures					
Current					
Public safety	216,794	130,116	-	3,014,862	-
Public works	1,615,917	-	-	-	-
Parks and recreation	75,677	-	-	-	38,607
Culture and community welfare	-	2,955,560	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	1,596,710	12,750	-	709,555	-
Total expenditures	3,505,098	3,098,426	-	3,724,417	38,607
Excess (deficiency) of revenues over (under) expenditures	2,132,629	2,546,096	29,900	959,375	(12,929)
Other financing sources (uses)					
Transfers in	12,000	-	-	-	-
Transfers out	(2,862,174)	(842,000)	-	(144,749)	-
Total other financing sources (uses)	(2,850,174)	(842,000)	-	(144,749)	-
Change in fund balances	(717,545)	1,704,096	29,900	814,626	(12,929)
Fund balance at beginning of year, as originally reported	9,365,658	4,085,802	355,159	2,464,466	145,175
Prior period adjustments	1,021,460	-	-	-	-
Fund balance at beginning of year, as restated	10,387,118	4,085,802	355,159	2,464,466	145,175
Fund balance at end of year	\$ 9,669,573	\$ 5,789,898	\$ 385,059	\$ 3,279,092	\$ 132,246

				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
\$ 36,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,114
3,493	233,881	-	-	-	-	7,876,703
-	-	-	-	-	-	5,661,712
-	-	324,991	-	-	-	3,058,259
(133)	-	-	(281)	-	11	(60,773)
-	-	-	152,642	-	-	176,357
39,509	233,881	324,991	152,361	-	11	16,772,372
-	-	-	-	-	-	3,361,772
-	222,187	308,741	-	-	-	2,146,845
48,781	-	-	179,821	-	-	342,886
-	-	-	-	-	-	2,955,560
-	-	-	-	-	3,975,707	3,975,707
-	-	-	-	-	278,836	278,836
-	-	-	-	-	-	2,319,015
48,781	222,187	308,741	179,821	-	4,254,543	15,380,621
(9,272)	11,694	16,250	(27,460)	-	(4,254,532)	1,391,751
-	-	-	121,353	-	4,254,532	4,387,885
-	(11,694)	(16,250)	-	-	-	(3,876,867)
-	(11,694)	(16,250)	121,353	-	4,254,532	511,018
(9,272)	-	-	93,893	-	-	1,902,769
42,749	1,616	-	252,100	169,544	-	16,882,269
-	-	-	-	-	-	1,021,460
42,749	1,616	-	252,100	169,544	-	17,903,729
\$ 33,477	\$ 1,616	\$ -	\$ 345,993	\$ 169,544	\$ -	\$ 19,806,498

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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 5,271,312	\$ 5,661,712	\$ 390,400
Investment earnings (losses)	20,000	(45,360)	(65,360)
Other revenues	20,000	21,375	1,375
Transfers in	12,000	12,000	-
TOTAL REVENUES	<u>5,323,312</u>	<u>5,649,727</u>	<u>326,415</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	11,559,536	3,505,098	8,054,438
Transfers out	<u>2,862,173</u>	<u>2,862,174</u>	<u>(1)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>14,421,709</u>	<u>6,367,272</u>	<u>8,054,437</u>
NET CHANGE IN FUND BALANCE	(9,098,397)	(717,545)	8,380,852
FUND BALANCE, January 1, as restated	<u>9,098,397</u>	<u>10,387,118</u>	<u>1,288,721</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 9,669,573</u>	<u>\$ 9,669,573</u>

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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services	\$ 1,240,000	\$ 2,703,368	\$ 1,463,368
Sales and miscellaneous taxes	2,955,560	2,955,560	-
Investment earnings (losses)	25,000	(14,406)	(39,406)
TOTAL REVENUES	<u>4,220,560</u>	<u>5,644,522</u>	<u>1,423,962</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	3,450,390	3,098,426	351,964
Transfers out	842,000	842,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>4,292,390</u>	<u>3,940,426</u>	<u>351,964</u>
NET CHANGE IN FUND BALANCE	(71,830)	1,704,096	1,775,926
FUND BALANCE, January 1	<u>71,830</u>	<u>4,085,802</u>	<u>4,013,972</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 5,789,898</u>	<u>\$ 5,789,898</u>

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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services	\$ -	\$ 29,900	\$ 29,900
TOTAL REVENUES	-	29,900	29,900
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)	29,900	79,615
FUND BALANCE, January 1	49,715	49,715	-
FUND BALANCE, December 31	\$ -	\$ 79,615	\$ 79,615
Adjustment from budgetary basis to generally accepted accounting principles			
Inventory		305,444	
Fund balance - generally accepted accounting principles		\$ 385,059	

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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Sales and miscellaneous taxes	\$ 3,375,000	\$ 4,681,452	\$ 1,306,452
Other revenues	-	2,340	2,340
TOTAL REVENUES	<u>3,375,000</u>	<u>4,683,792</u>	<u>1,308,792</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	2,749,600	3,014,862	(265,262)
Capital outlay	1,111,730	709,555	402,175
Debt service	451,848	-	451,848
Transfers out	<u>144,749</u>	<u>144,749</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>4,457,927</u>	<u>3,869,166</u>	<u>588,761</u>
NET CHANGE IN FUND BALANCE	(1,082,927)	814,626	1,897,553
FUND BALANCE, January 1	<u>1,082,927</u>	<u>2,464,466</u>	<u>1,381,539</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 3,279,092</u>	<u>\$ 3,279,092</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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Property and other taxes	\$ 24,312	\$ 26,282	\$ 1,970
Investment earnings (losses)	-	(604)	(604)
TOTAL REVENUES	<u>24,312</u>	<u>25,678</u>	<u>1,366</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	<u>157,900</u>	<u>38,607</u>	<u>119,293</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>157,900</u>	<u>38,607</u>	<u>119,293</u>
NET CHANGE IN FUND BALANCE	(133,588)	(12,929)	120,659
FUND BALANCE, January 1	<u>133,588</u>	<u>145,175</u>	<u>11,587</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 132,246</u>	<u>\$ 132,246</u>

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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Property and other taxes	\$ 36,649	\$ 39,642	\$ 2,993
Investment earnings (losses)	-	(133)	(133)
TOTAL REVENUES	<u>36,649</u>	<u>39,509</u>	<u>2,860</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	<u>63,830</u>	<u>48,781</u>	<u>15,049</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>63,830</u>	<u>48,781</u>	<u>15,049</u>
NET CHANGE IN FUND BALANCE	(27,181)	(9,272)	17,909
FUND BALANCE, January 1	<u>27,181</u>	<u>42,749</u>	<u>15,568</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 33,477</u>	<u>\$ 33,477</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 BID
Year Ended December 31, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Sales and miscellaneous taxes	\$ 233,881	\$ 233,881	\$ -
TOTAL REVENUES	<u>233,881</u>	<u>233,881</u>	<u>-</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	223,881	222,187	1,694
Transfers out	<u>10,000</u>	<u>11,694</u>	<u>(1,694)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>233,881</u>	<u>233,881</u>	<u>-</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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services	\$ 324,991	\$ 324,991	\$ -
TOTAL REVENUES	<u>324,991</u>	<u>324,991</u>	<u>-</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	312,491	308,741	3,750
Transfers out	<u>12,500</u>	<u>16,250</u>	<u>(3,750)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>324,991</u>	<u>324,991</u>	<u>-</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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Contributions/donations	\$ 205,000	\$ 152,642	\$ (52,358)
Investment earnings (losses)	600	(281)	(881)
Transfers in	130,000	121,353	(8,647)
TOTAL REVENUES	<u>335,600</u>	<u>273,714</u>	<u>(61,886)</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	<u>393,572</u>	<u>179,821</u>	<u>213,751</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>393,572</u>	<u>179,821</u>	<u>213,751</u>
NET CHANGE IN FUND BALANCE	(57,972)	93,893	151,865
FUND BALANCE, January 1	<u>57,972</u>	<u>252,100</u>	<u>194,128</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 345,993</u>	<u>\$ 345,993</u>

See accompanying Independent Auditor's Report.

Capital Projects Funds

City of Pueblo, Colorado
Budgetary Comparison Schedule
Public Improvements Fund
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budget	Final Budget
			Basis	Positive
				(Negative)
REVENUES AND OTHER				
FINANCING SOURCES				
Intergovernmental	\$ 467,900	\$ 25,448,330	\$ 9,760,512	\$ (15,687,818)
Investment earnings (losses)	-	24	71	47
Other revenue	-	121,587	252,055	130,468
Transfer in	1,044,000	3,014,704	3,014,704	-
TOTAL REVENUES AND				
OTHER FINANCING SOURCES	1,511,900	28,584,645	13,027,342	(15,557,303)
EXPENDITURES AND OTHER				
FINANCING USES				
Current -				
Programs/projects	787,400	40,077,228	5,738,107	34,339,121
Capital outlay	724,500	7,340,890	6,602,271	738,619
TOTAL EXPENDITURES AND				
OTHER FINANCING USES	1,511,900	47,418,118	12,340,378	35,077,740
NET CHANGE IN FUND BALANCE	-	(18,833,473)	686,964	19,520,437
FUND BALANCE, January 1	-	18,833,473	9,417,255	9,416,218
FUND BALANCE, December 31	\$ -	\$ -	\$ 10,104,219	\$ 28,936,655
Adjustment from budgetary basis to generally accepted accounting principles				
Deferred inflows of resources related to grants			(341,922)	
Fund balance - generally accepted accounting principles			\$ 9,762,297	

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, 2021

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	\$ 13,027,342
Differences - budget to GAAP	
Deferred inflows of resources related to grants	<u>2,994,530</u>
GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 16,021,872</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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Investment earnings (losses)	\$ -	\$ 11	\$ 11
Transfers in	4,254,588	4,254,532	(56)
TOTAL REVENUES	4,254,588	4,254,543	(45)
EXPENDITURES AND OTHER FINANCING USES			
Debt service -			
Principal	3,975,672	3,975,707	(35)
Interest and fiscal charges	278,916	278,836	80
TOTAL EXPENDITURES AND OTHER FINANCING USES	4,254,588	4,254,543	45
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 Enterprise Funds
December 31, 2021

Business-type Activities - Enterprise Funds						
	Street Repair	Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	Total
Assets						
Current assets						
Cash and cash equivalents	\$ -	\$ -	\$ 800	\$ -	\$ 324,098	\$ 324,898
Accounts receivable, net	400,097	69,965	233,623	716	8,507	712,908
Due from other funds	1,452,813	-	812,190	917,819	-	3,182,822
Due from other governments	-	-	2,154,335	-	-	2,154,335
Prepaid expenses	-	-	-	-	27,584	27,584
Inventories	-	-	331,082	-	-	331,082
Total current assets	1,852,910	69,965	3,532,030	918,535	360,189	6,733,629
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	3,261,974	11,360,862	18,041,670
Machinery and equipment	-	157,640	8,197,015	198,261	-	8,552,916
Less accumulated depreciation	-	(571,741)	(8,299,736)	(2,017,560)	(2,000,447)	(12,889,484)
Intangibles	-	-	1,478	-	-	1,478
Artworks	-	-	8,823	-	-	8,823
Total capital assets	-	2,223,050	3,845,634	4,197,562	9,360,415	19,626,661
Total noncurrent assets	-	2,223,050	3,845,634	4,197,562	9,360,415	19,626,661
Total assets	1,852,910	2,293,015	7,377,664	5,116,097	9,720,604	26,360,290
Deferred outflows of resources						
OPEB-related	-	-	-	536	-	536
Pension-related	-	-	-	13,168	-	13,168
Total deferred outflows of resources	-	-	-	13,704	-	13,704
Liabilities						
Current liabilities						
Accounts payable	259,709	35,994	158,797	4,199	123,882	582,581
Accrued expenses	-	-	156,534	2,105	-	158,639
Due to other funds	-	954,754	2,692,211	-	946,463	4,593,428
Advances from others	-	-	6,564	-	208,994	215,558
Compensated absences	-	-	23,609	-	-	23,609
Total current liabilities	259,709	990,748	3,037,715	6,304	1,279,339	5,573,815
Noncurrent liabilities						
Compensated absences	-	-	212,459	-	-	212,459
Advance from other funds	-	747,000	-	-	-	747,000
Net OPEB liability	-	-	-	3,814	-	3,814
Net pension liability	-	-	-	27,451	-	27,451
Total noncurrent liabilities	-	747,000	212,459	31,265	-	990,724
Total liabilities	259,709	1,737,748	3,250,174	37,569	1,279,339	6,564,539
Deferred inflows of resources						
OPEB-related	-	-	-	1,427	-	1,427
Pension-related	-	-	-	30,290	-	30,290
Total deferred inflows of resources	-	-	-	31,717	-	31,717
Net position						
Net investment in capital assets	-	2,223,050	3,845,634	4,197,562	9,360,415	19,626,661
Unrestricted	1,593,201	(1,667,783)	281,856	862,953	(919,150)	151,077
Total net position	\$ 1,593,201	\$ 555,267	\$ 4,127,490	\$ 5,060,515	\$ 8,441,265	\$ 19,777,738

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2021

Business-type Activities - Enterprise Funds

	Street Repair	Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	Total
Operating revenues						
Charges for services	\$ 2,868,547	\$ 96,139	\$ 358,360	\$ 132,098	\$ 835,714	\$ 4,290,858
Other revenues	3	-	63,425	426	-	63,854
Total operating revenues	2,868,550	96,139	421,785	132,524	835,714	4,354,712
Operating expenses						
Personnel services	-	-	-	31,496	-	31,496
Contractual services	79,165	5,711	4,547,567	175,755	955,393	5,763,591
Utilities	-	19,337	389,590	38,260	121,548	568,735
Repairs and maintenance	2,424,992	8,177	345,567	8,720	12,420	2,799,876
Other supplies and expenses	-	5,917	164,259	258,255	86,900	515,331
Depreciation	-	37,736	497,324	92,120	223,641	850,821
Total operating expenses	2,504,157	76,878	5,944,307	604,606	1,399,902	10,529,850
Operating loss	364,393	19,261	(5,522,522)	(472,082)	(564,188)	(6,175,138)
Nonoperating revenues (expenses)						
Operating grants and contributions	24	-	2,955,138	-	-	2,955,162
Gain (loss) on disposal of capital assets	-	(8,069)	21,825	-	-	13,756
Total nonoperating revenues (expenses)	24	(8,069)	2,976,963	-	-	2,968,918
Income (loss) before transfers	364,417	11,192	(2,545,559)	(472,082)	(564,188)	(3,206,220)
Transfers in	-	-	3,844,802	247,381	340,547	4,432,730
Changes in net position	364,417	11,192	1,299,243	(224,701)	(223,641)	1,226,510
Net position at beginning of year	1,228,784	544,075	2,828,247	5,285,216	8,664,906	18,551,228
Net position at end of year	\$ 1,593,201	\$ 555,267	\$ 4,127,490	\$ 5,060,515	\$ 8,441,265	\$ 19,777,738

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year-Ended December 31, 2021

	Business-type Activities - Enterprise Funds					
	Street Repair	Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	Total
Cash flows from operating activities						
Cash received from customers	\$ 2,962,732	\$ 55,175	\$ 1,972,631	\$ 132,531	\$ 827,622	\$ 5,950,691
Cash payments to suppliers	(3,623,435)	(33,942)	(5,389,284)	(570,702)	(1,108,646)	(10,726,009)
Cash payments to employees	-	-	(22,180)	(47,499)	-	(69,679)
Receipts for interfund services	-	(21,233)	(2,400,434)	-	23,186	(2,398,481)
Payments for interfund services	660,679	-	-	310,305	-	970,984
Net cash flows from operating activities	(24)	-	(5,839,267)	(175,365)	(257,838)	(6,272,494)
Cash flows from non-capital financing activities						
Transfers in	-	-	3,844,802	247,381	340,547	4,432,730
Receipts from fund advance	-	-	(2,052)	-	96,249	94,197
Operating grants received	24	-	2,955,138	-	-	2,955,162
Net cash flows from non-capital financing activities	24	-	6,797,888	247,381	436,796	7,482,089
Cash flows from capital and related financing activities						
Proceeds from the sale of capital assets	-	-	21,825	-	-	21,825
Acquisitions of capital assets	-	-	(980,446)	(72,016)	-	(1,052,462)
Net cash flows from capital and related financing activities	-	-	(958,621)	(72,016)	-	(1,030,637)
Net increase (decrease) in cash and cash equivalents	-	-	-	-	178,958	178,958
Cash and cash equivalents at beginning of year	-	-	800	-	145,140	145,940
Cash and cash equivalents at end of year	\$ -	\$ -	\$ 800	\$ -	\$ 324,098	\$ 324,898
Reconciliation of operating loss to net cash flows from operating activities						
Operating loss	\$ 364,393	\$ 19,261	\$ (5,522,522)	\$ (472,082)	\$ (564,188)	\$ (6,175,138)
Adjustments to reconcile operating loss to net cash flows from operating activities:						
Depreciation	-	37,736	497,324	92,120	223,641	850,821
(Increase) decrease in operating assets:						
Accounts receivable	94,182	(40,964)	1,550,846	7	(8,092)	1,595,979
Due from other funds	-	-	-	310,305	-	310,305
Prepaid items	-	-	6,836	-	(10,770)	(3,934)
Inventories	-	-	(35,660)	-	-	(35,660)
Increase (decrease) in operating liabilities:						
Accounts payable and accrued expenses	(1,119,278)	5,200	64,343	(89,712)	78,385	(1,061,062)
Due to other funds	660,679	(21,233)	(2,400,434)	-	23,186	(1,737,802)
Net OPEB liability and related deferred inflows and outflows of resources	-	-	-	(1,466)	-	(1,466)
Net pension liability and related deferred inflows and outflows of resources	-	-	-	(14,537)	-	(14,537)
Net cash flows from operating activities	\$ (24)	\$ -	\$ (5,839,267)	\$ (175,365)	\$ (257,838)	(6,272,494)

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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES AND OTHER			
FINANCING SOURCES			
Charges for services	\$ 2,531,000	\$ 2,728,690	\$ 197,690
Other revenues	-	2,654	2,654
TOTAL REVENUES	2,531,000	2,731,344	200,344
EXPENDITURES AND OTHER			
FINANCING USES			
Current -			
Personnel services	103,225	101,192	2,033
Contractual services	1,032,681	1,041,378	(8,697)
Utilities	477,489	445,344	32,145
Repairs and maintenance	170,059	141,099	28,960
Other supplies and expenses	325,038	319,165	5,873
Capital outlay	81,012	62,556	18,456
Debt Service -			
Principal	343,622	341,147	2,475
Interest and fees	37,874	119,052	(81,178)
TOTAL EXPENDITURES AND OTHER FINANCING USES	2,571,000	2,570,933	67
NET CHANGE IN FUND BALANCE	\$ (40,000)	\$ 160,411	\$ 200,411

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
Golf Course Enterprise
Year Ended December 31, 2021

BUDGETARY BASIS

Explanation of differences between budgetary expenditures and other financing
uses and GAAP expenditures and other financing uses

EXPENDITURES AND OTHER FINANCING USES

Actual amounts (budgetary basis) of expenditures and other financing uses from the budgetary comparison schedule	\$ 2,570,933
Differences - Budget to GAAP	
Depreciation expense	433,229
Capital outlay	(62,556)
Principal payments	(341,147)
Pension and OPEB adjustments	(10,660)
Change in accrued interest	<u>(12,725)</u>
 GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	 <u>\$ 2,577,074</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, 2021

	Original	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES				
Charges for services and other operating revenue	\$ 27,371,693	\$ 27,371,693	\$ 29,354,452	\$ 1,982,759
Investment earnings (losses)	250,000	250,000	(209,977)	(459,977)
TOTAL REVENUES	<u>27,621,693</u>	<u>27,621,693</u>	<u>29,144,475</u>	<u>1,522,782</u>
EXPENDITURES AND OTHER				
FINANCING USES				
Current -				
Personnel services	5,526,493	5,526,493	4,893,008	633,485
Contractual services	2,167,475	2,105,789	1,670,797	434,992
Utilities	893,000	893,000	604,017	288,983
Repairs and maintenance	8,041,626	32,254,840	7,236,377	25,018,463
Other supplies and expenses	3,481,818	3,434,168	759,981	2,674,187
Capital outlay	5,048,207	3,962,257	653,448	3,308,809
Debt Service -				
Principal	1,885,736	1,885,736	1,881,097	4,639
Interest and fees	577,338	577,338	489,008	88,330
TOTAL EXPENDITURES AND				
OTHER FINANCING USES	<u>27,621,693</u>	<u>50,639,621</u>	<u>18,187,733</u>	<u>32,451,888</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (23,017,928)</u>	<u>\$ 10,956,742</u>	<u>\$ 33,974,670</u>

See accompanying independent auditor's report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
Sewer User
Year Ended December 31, 2021

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	\$ 29,144,475
Differences - budget to GAAP	
Capital contributions	791,945
Change in the allowance for uncollectible accounts	<u>(7)</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	\$ 29,936,413
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EXPENDITURES AND OTHER FINANCING USES

Actual amounts (budgetary basis) of expenditures and other financing uses from the budgetary comparison schedule	\$ 18,187,733
Differences - Budget to GAAP	
Depreciation expense	1,963,732
Capital outlay	(653,448)
Principal payments	(1,881,097)
Pension and OPEB adjustments	(406,654)
Change in accrued compensated absences	(40,730)
Change in accrued interest	<u>(88,013)</u>

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	\$ 17,081,523
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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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 4,400,000	\$ 5,155,312	\$ 755,312
Investment earnings (losses)	100,000	(76,178)	(176,178)
TOTAL REVENUES	<u>4,500,000</u>	<u>5,079,134</u>	<u>579,134</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	1,775,809	1,393,437	382,372
Contractual services	854,904	761,846	93,058
Utilities	98,000	65,663	32,337
Repairs and maintenance	940,500	472,062	468,438
Other supplies and expenses	4,774,859	61,952	4,712,907
Capital outlay	9,185,958	3,011,131	6,174,827
Debt Service -			
Principal	289,102	289,102	-
Interest and fees	153,447	153,447	-
Transfers out	12,000	12,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>18,084,579</u>	<u>6,220,640</u>	<u>11,863,939</u>
NET CHANGE IN FUND BALANCE	<u>\$ (13,584,579)</u>	<u>\$ (1,141,506)</u>	<u>\$ 12,443,073</u>

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
Stormwater Utility
Year Ended December 31, 2021

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	\$ 5,079,134
Differences - budget to GAAP	
Capital contributions	<u>1,063,562</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	\$ <u>6,142,696</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	\$ 6,220,640
Differences - Budget to GAAP	
Depreciation expense	871,056
Capital outlay	(3,011,131)
Principal payments	(289,102)
Pension and OPEB adjustments	(58,586)
Change in accrued compensated absences	(5,001)
Change in accrued interest	<u>(13,071)</u>

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	\$ <u>3,714,805</u>
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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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 681,248	\$ 709,234	\$ 27,986
Intergovernmental	3,199,683	1,864,753	(1,334,930)
Investment earnings (losses)	-	(1,834)	(1,834)
Transfers in	1,382,922	650,440	(732,482)
TOTAL REVENUES	5,263,853	3,222,593	(2,041,260)
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	1,142,080	1,056,796	85,284
Contractual services	230,416	230,982	(566)
Utilities	378,342	365,226	13,116
Repairs and maintenance	140,690	149,905	(9,215)
Other supplies and expenses	2,204,694	383,277	1,821,417
Capital outlay	2,168,603	907,044	1,261,559
TOTAL EXPENDITURES AND OTHER FINANCING USES	6,264,825	3,093,230	3,171,595
NET CHANGE IN FUND BALANCE	\$ (1,000,972)	\$ 129,363	\$ 1,130,335

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
Memorial Airport Fund
Year Ended December 31, 2021

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	\$ 3,222,593
Differences - budget to GAAP	
Change in the allowance for uncollectible accounts	<u>(95,545)</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 3,127,048</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	\$ 3,093,230
Differences - Budget to GAAP	
Depreciation expense	1,877,507
Capital outlay	(907,044)
Pension and OPEB adjustments	(62,131)
Change in accrued compensated absences	<u>(1,741)</u>

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u>\$ 3,999,821</u>
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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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 2,800,000	\$ 2,868,550	\$ 68,550
Other revenue	-	24	24
TOTAL REVENUES	<u>2,800,000</u>	<u>2,868,574</u>	<u>68,574</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Contractual services	78,000	79,165	(1,165)
Repairs and maintenance	3,124,320	2,424,992	699,328
Capital outlay	<u>66,498</u>	-	<u>66,498</u>
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>3,268,818</u>	<u>2,504,157</u>	<u>764,661</u>
NET CHANGE IN FUND BALANCE	<u>\$ (468,818)</u>	<u>\$ 364,417</u>	<u>\$ 833,235</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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 38,300	\$ 96,139	\$ 57,839
Transfers in	41,578	-	(41,578)
TOTAL REVENUES	<u>79,878</u>	<u>96,139</u>	<u>16,261</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Contractual services	5,711	5,711	-
Utilities	6,500	19,337	(12,837)
Repairs and maintenance	61,737	8,177	53,560
Other supplies and expenses	5,930	5,917	13
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>79,878</u>	<u>39,142</u>	<u>40,736</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 56,997</u>	<u>\$ 56,997</u>

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
Honor Farm Fund
Year Ended December 31, 2021

BUDGETARY BASIS

Explanation of differences between budgetary expenditures and other financing
uses and GAAP expenditures and other financing uses

EXPENDITURES AND OTHER FINANCING USES

Actual amounts (budgetary basis) of expenditures and other financing uses from the budgetary comparison schedule	\$ 39,142
Differences - Budget to GAAP	
Depreciation expense	37,736
Loss on disposal of capital assets	<u>(8,069)</u>
GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u>\$ 68,809</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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 733,335	\$ 421,785	\$ (311,550)
Intergovernmental	6,771,693	2,955,138	(3,816,555)
Transfers in	3,905,022	3,844,802	(60,220)
TOTAL REVENUES	11,410,050	7,221,725	(4,188,325)
EXPENDITURES AND OTHER			
FINANCING USES			
Current -			
Personnel services	3,313,132	3,129,488	183,644
Contractual services	1,455,875	1,440,258	15,617
Utilities	387,303	388,353	(1,050)
Repairs and maintenance	1,448,035	345,567	1,102,468
Other supplies and expenses	2,189,136	165,496	2,023,640
Capital outlay	3,615,962	980,448	2,635,514
TOTAL EXPENDITURES AND			
OTHER FINANCING USES	12,409,443	6,449,610	5,959,833
NET CHANGE IN FUND BALANCE	\$ (999,393)	\$ 772,115	\$ 1,771,508

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
Transportation Services Fund
Year Ended December 31, 2021

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	\$ 7,221,725
Differences - budget to GAAP	
Gain on disposal of capital assets	<u>21,825</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 7,243,550</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	\$ 6,449,610
Differences - Budget to GAAP	
Depreciation expense	497,324
Capital outlay	(980,448)
Change in accrued compensated absences	<u>(22,179)</u>

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u>\$ 5,944,307</u>
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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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 288,440	\$ 132,524	\$ (155,916)
Transfers in	220,601	247,381	26,780
TOTAL REVENUES	509,041	379,905	(129,136)
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	109,447	47,499	61,948
Contractual services	199,325	175,755	23,570
Utilities	57,090	38,260	18,830
Repairs and maintenance	268,573	8,720	259,853
Other supplies and expenses	350,714	258,255	92,459
Capital outlay	89,295	72,014	17,281
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,074,444	600,503	473,941
NET CHANGE IN FUND BALANCE	\$ (565,403)	\$ (220,598)	\$ 344,805

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
Parking Facilities Fund
Year Ended December 31, 2021

BUDGETARY BASIS

Explanation of differences between budgetary expenditures and other financing
uses and GAAP expenditures and other financing uses

EXPENDITURES AND OTHER FINANCING USES

Actual amounts (budgetary basis) of expenditures and other financing uses from the budgetary comparison schedule	\$ 600,503
Differences - Budget to GAAP	
Depreciation expense	92,120
Capital outlay	(72,014)
Pension and OPEB adjustments	<u>(16,003)</u>
GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u>\$ 604,606</u>

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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 816,580	\$ 835,714	\$ 19,134
Transfers in	362,071	340,547	(21,524)
TOTAL REVENUES	<u>1,178,651</u>	<u>1,176,261</u>	<u>(2,390)</u>
EXPENDITURES AND OTHER			
FINANCING USES			
Current -			
Contractual services	1,178,651	955,393	223,258
Utilities	-	121,548	(121,548)
Repairs and maintenance	-	12,420	(12,420)
Other supplies and expenses	-	86,900	(86,900)
TOTAL EXPENDITURES AND			
OTHER FINANCING USES	<u>1,178,651</u>	<u>1,176,261</u>	<u>2,390</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
Memorial Hall Fund
Year Ended December 31, 2021

BUDGETARY BASIS

Explanation of differences between budgetary expenditures and other financing
uses and GAAP expenditures and other financing uses

EXPENDITURES AND OTHER FINANCING USES

Actual amounts (budgetary basis) of expenditures and other financing uses from the budgetary comparison schedule	\$ 1,176,261
Differences - Budget to GAAP	
Depreciation expense	<u>223,641</u>
GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u>\$ 1,399,902</u>

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, 2021

	Internal Service Fund	Pueblo Transit	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 300	\$ -	\$ 300
Restricted cash and cash equivalents	4,952,500	-	4,952,500
Accounts receivable, net	60,720	-	60,720
Due from other funds	5,699,333	-	5,699,333
Inventories	275,609	-	275,609
Total current assets	10,988,462	-	10,988,462
Noncurrent Assets			
Capital Assets			
Buildings	1,036,366	-	1,036,366
Machinery and equipment	863,307	-	863,307
Less accumulated depreciation	(1,168,863)	-	(1,168,863)
Total noncurrent assets	730,810	-	730,810
Total assets	11,719,272	-	11,719,272
Deferred outflows of resources			
OPEB-related	7,897	26,396	34,293
Pension-related	193,967	644,857	838,824
Total deferred outflows of resources	201,864	671,253	873,117
Liabilities			
Current liabilities			
Accounts payable	1,213,034	-	1,213,034
Due to other funds	243,030	-	243,030
Compensated absences	12,354	-	12,354
Claims and judgments	1,325,334	-	1,325,334
Total current liabilities	2,793,752	-	2,793,752
Noncurrent liabilities			
Compensated absences	111,187	-	111,187
Claims and judgments	233,882	-	233,882
Net OPEB liability	56,175	187,764	243,939
Net pension liability	404,367	1,344,346	1,748,713
Total noncurrent liabilities	805,611	1,532,110	2,337,721
Total liabilities	3,599,363	1,532,110	5,131,473
Deferred inflows of resources			
OPEB-related	21,014	70,240	91,254
Pension-related	446,174	1,483,336	1,929,510
Total deferred inflows of resources	467,188	1,553,576	2,020,764
Net position			
Net investment in capital assets	730,810	-	730,810
Unrestricted	7,123,775	(2,414,433)	4,709,342
Total net position	\$ 7,854,585	\$ (2,414,433)	\$ 5,440,152

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, 2021

	Internal Service Fund	Pueblo Transit	Total
Operating revenues			
Charges for services	\$ 17,274,739	\$ 3,100,071	\$ 20,374,810
Other operating revenues	509,850	-	509,850
Total operating revenues	17,784,589	3,100,071	20,884,660
Operating expenses			
Personnel services	832,292	2,953,916	3,786,208
Contractual services	30,240	-	30,240
Utilities	65,734	-	65,734
Repairs and maintenance	53,421	-	53,421
Other supplies and expenses	1,591,228	-	1,591,228
Insurance claims expenses	16,152,820	-	16,152,820
Depreciation	88,595	-	88,595
Total operating expenses	18,814,330	2,953,916	21,768,246
Operating income (loss)	(1,029,741)	146,155	(883,586)
Nonoperating revenues (expenses)			
Interest expense	(142)	-	(142)
Total nonoperating revenues (expenses)	(142)	-	(142)
Net income (loss) before contributions and transfers	(1,029,883)	146,155	(883,728)
Transfers in	1,100,000	-	1,100,000
Change in net position	70,117	146,155	216,272
Net position at beginning of year	7,784,468	(2,560,588)	5,223,880
Net position at end of year	\$ 7,854,585	\$ (2,414,433)	\$ 5,440,152

See accompanying Independent Auditor's Report.

City of Pueblo
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2021

	Internal Service Fund	Pueblo Transit	Total
Cash flows from operating activities			
Cash received from customers	\$ 17,822,602	\$ 3,100,071	\$ 20,922,673
Cash payments to suppliers	(15,898,504)	-	(15,898,504)
Cash payments to employees	(891,467)	(3,100,071)	(3,991,538)
Payments for interfund services	(480,769)	-	(480,769)
Net cash flows from operating activities	551,862	-	551,862
Cash flows from non-capital financing activities			
Transfers in	1,100,000	-	1,100,000
Net cash flows from non-capital financing activities	1,100,000	-	1,100,000
Cash flows from capital and related financing activities			
Principal paid on long-term debt	(94,034)	-	(94,034)
Interest paid on long-term debt	(1,711)	-	(1,711)
Net cash flows from capital and related financing activities	(95,745)	-	(95,745)
Net increase (decrease) in cash and cash equivalents	1,556,117	-	1,556,117
Cash and cash equivalents at beginning of year	3,396,683	-	3,396,683
Cash and cash equivalents at end of year	4,952,800	-	4,952,800
Reported in the accompanying statement of net position as follows:			
Cash and cash equivalents	\$ 300	\$ -	\$ 300
Restricted cash and cash equivalents	4,952,500	-	4,952,500
	\$ 4,952,800	\$ -	\$ 4,952,800

Reconciliation of operating income (loss) to net cash flows from operating activities

Operating income (loss)	\$ (1,029,741)	\$ 146,155	\$ (883,586)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	88,595	-	88,595
(Increase) decrease in operating assets:			
Accounts receivable	38,013	-	38,013
Due from other funds	(480,769)	-	(480,769)
Prepaid items	190,754	-	190,754
Inventories	(75,284)	-	(75,284)
Increase (decrease) in operating liabilities:			
Accounts payable and accrued expenses	1,872,976	-	1,872,976
Due to other funds	-	-	-
Advances from others	-	-	-
Net OPEB liability and related deferred inflows and outflows of resources	(4,307)	-	(4,307)
Net pension liability and related deferred inflows and outflows of resources	(48,375)	(146,155)	(194,530)
Net cash flows from operating activities	\$ 551,862	\$ -	\$ 551,862

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, 2021

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Charges for services and other operating revenue	\$ 17,951,096	\$ 17,784,589	\$ (166,507)
Transfers in	1,100,000	1,100,000	-
TOTAL REVENUES	19,051,096	18,884,589	(166,507)
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	942,851	891,468	51,383
Contractual services	34,841	30,240	4,601
Utilities	79,750	59,032	20,718
Repairs and maintenance	58,850	53,421	5,429
Other supplies and expenses	1,780,171	1,591,228	188,943
Insurance claims expense	16,599,050	16,152,820	446,230
Capital outlay	3,135	-	3,135
Debt Service -			
Principal	100,737	100,736	1
Interest and fees	1,711	1,711	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	19,601,096	18,880,656	720,440
NET CHANGE IN FUND BALANCE	\$ (550,000)	\$ 3,933	\$ 553,933

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
Internal Service Fund
Year Ended December 31, 2021

BUDGETARY BASIS

Explanation of differences between budgetary expenditures and other financing
uses and GAAP expenditures and other financing uses

EXPENDITURES AND OTHER FINANCING USES

Actual amounts (budgetary basis) of expenditures and other financing uses from the budgetary comparison schedule	\$ 18,880,656
Differences - Budget to GAAP	
Depreciation expense	88,595
Principal payments	(100,736)
Pension and OPEB adjustments	(52,682)
Change in accrued compensated absences	<u>(1,361)</u>
 GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	 <u><u>\$ 18,814,472</u></u>

See accompanying Independent Auditor's Report.

Other Schedules

City of Pueblo
Pueblo Memorial Airport
Schedule of Passenger Facility Charge Collected and Expended
For the Year Ended December 31, 2021

	Unliquidated Passenger Facility Charge Revenue Account December 31, 2020	Passenger Facility Charge Collections	Interest Earned	Current Year Expenditures	Unliquidated Passenger Facility Charge Revenue Account December 31, 2021
Extend taxiway K, Phase II	\$ 82,772	\$ 40,991	\$ -	\$ -	\$ 123,763
Total assets	\$ 82,772	\$ 40,991	\$ -	\$ -	\$ 123,763

See accompanying Independent Auditor's Report.

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Pueblo
		YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of		Prepared By: Brianne J Reyes Phone: 719-553-2625

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)	11,796,426
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,018,436
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,518,754
2. General fund appropriations	1,082,827	b. Snow and ice removal	158,641
3. Other local imposts (from page 2)	2,409,520	c. Other	775,643
4. Miscellaneous local receipts (from page 2)	4,857,378	d. Total (a. through c.)	2,453,038
5. Transfers from toll facilities		4. General administration & miscellaneous	385,809
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,276,245
a. Bonds - Original Issues		6. Total (1 through 5)	17,929,954
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)	8,349,725	b. Redemption	
B. Private Contributions	6,132,582	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,704,243	2. Notes:	
D. Receipts from Federal Government (from page 2)	332,728	a. Interest	
E. Total receipts (A.7 + B + C + D)	18,519,278	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	17,929,954

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
	7,185,274	18,519,278	17,929,954	7,774,598	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2021	
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	533,247	a. Interest on investments	(38,877)
b. Other local imposts:		b. Traffic Fines & Penalties	935,340
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	116,813	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	1,759,460	g. Other Misc. Receipts	3,960,915
6. Total (1. through 5.)	1,876,273	h. Other	
c. Total (a. + b.)	2,409,520	i. Total (a. through h.)	4,857,378
	(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	3,354,474	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	349,769	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	332,728
f. Total (a. through e.)	349,769	g. Total (a. through f.)	332,728
4. Total (1. + 2. + 3.f)	3,704,243	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		975,186	975,186
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		5,137,396	5,137,396
(2). Capacity Improvements			0
(3). System Preservation		5,683,844	5,683,844
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	10,821,240	10,821,240
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	11,796,426	11,796,426
			(Carry forward to page 1)
Notes and Comments:			

Statistical Section

STATISTICAL SECTION

This part of the City's annual comprehensive 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.	196
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, sales tax and property tax.	202
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.	209
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.	215
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.	217

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 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	\$ 341,913,274
Restricted	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	148,301,923
Unrestricted	11,816,144	20,453,939	(26,319,466)	(16,336,921)	(6,551,772)	(17,995,211)	(16,883,492)	(6,292,161)	(5,324,711)	6,197,077
Total governmental activities net position	<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>\$ 462,487,490</u>	<u>\$ 496,412,274</u>
Business-type activities										
Net investment in capital assets	\$ 138,568,644	\$ 157,831,233	\$ 160,736,818	\$ 162,247,604	\$ 163,146,725	\$ 167,925,273	\$ 172,737,172	\$ 177,494,464	\$ 187,045,170	\$ 189,923,492
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	19,267,977	19,818,953	12,673,300	12,270,072	18,682,525	22,701,679	30,606,807	43,731,319	46,466,653	59,191,658
Total business-type activities net position	<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>\$ 233,511,823</u>	<u>\$ 249,115,150</u>
Primary government										
Net investment in capital assets	\$ 438,990,592	\$ 462,552,147	\$ 471,689,813	\$ 469,663,128	\$ 485,410,646	\$ 495,277,656	\$ 494,780,250	\$ 502,651,608	\$ 526,423,024	\$ 531,836,766
Restricted	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	148,301,923
Unrestricted	31,084,121	40,272,892	(13,646,166)	(4,066,849)	12,130,753	4,706,468	13,723,315	37,439,158	41,141,942	65,388,735
Total primary government net position	<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>\$ 695,999,313</u>	<u>\$ 745,527,424</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
General government	\$ 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	\$ 17,207,205
Public safety	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	55,343,290
Public works	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	12,104,138
Culture and community welfare	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	10,586,112
Parks and recreation	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	7,494,299
Economic development	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	4,129,569
Other	-	-	-	-	544,756	735,897	-	-	-	-
Interest on long-term debt	1,264,491	1,138,164	1,297,305	1,142,197	411,047	712,937	693,978	605,412	515,086	401,053
Total governmental activities	<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>	<u>107,265,666</u>
Business-type activities										
Golf enterprise	\$ 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	\$ 2,578,104
Sewer user	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	17,163,902
Stormwater utility	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	3,739,876
Other business-type activities	<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>	<u>17,660,703</u>
Total business-type activities	<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>	<u>41,142,585</u>
Total primary government expenses	<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>	<u>\$ 148,408,251</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program revenue										
Governmental activities										
Permits, fees, fines and charges for services										
General government	\$ 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	\$ 5,008,695
Public safety	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	4,958,265
Public works	495,989	539,532	710,835	353,921	465,353	246,015	2,574,745	2,739,843	2,387,377	3,085,205
Culture and community welfare	299,675	414,365	293,731	368,223	297,828	292,396	248,563	48,922	27,930	248,087
Parks and recreation	685,329	634,639	639,218	631,889	648,325	716,149	749,193	818,555	299,602	765,327
Economic development	-	-	-	-	-	-	27,031	48,165	-	132,599
Operating grants and contributions	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	16,034,406
Capital grants and contributions	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	5,626,623
Total governmental activities program revenue	31,631,986	37,110,404	24,693,798	27,111,457	32,963,333	26,222,157	27,123,138	30,582,846	30,365,851	35,859,207
Business-type activities										
Charges for services										
Golf	\$ 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	\$ 2,728,690
Sewer	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	29,334,131
Stormwater	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	5,002,157
Other	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	7,994,629
Operating grants and contributions	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	4,394,179
Capital grants and contributions	4,811,702	20,762,845	3,828,080	2,908,184	747,707	61,883	1,430,478	136,346	5,481,170	2,192,490
Total business-type activities program revenue	30,549,839	47,048,877	31,535,965	32,127,382	38,437,303	34,852,827	46,187,791	45,211,080	52,440,700	51,646,276
Total primary government program revenue	\$ 62,181,825	\$ 84,159,281	\$ 56,229,763	\$ 59,238,839	\$ 71,400,636	\$ 61,074,984	\$ 73,310,929	\$ 75,793,926	\$ 82,806,551	\$ 87,505,483
Net (expense) revenue										
Governmental activities	\$ (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)	\$ (71,406,459)
Business-type activities	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	10,503,691
Total primary government net (expense) revenue	\$ (62,070,209)	\$ (42,054,852)	\$ (65,116,676)	\$ (74,119,382)	\$ (58,575,437)	\$ (71,614,044)	\$ (61,945,598)	\$ (56,401,651)	\$ (70,857,611)	\$ (60,902,768)

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General revenue and other changes in net position										
Governmental activities										
Property taxes	\$ 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	\$ 15,412,893
Franchise and other taxes	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	7,466,929
Sales and use taxes	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	90,929,645
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	526,792	(99,169)	618,324	545,820	452,532	734,768	2,006,556	3,122,280	1,815,852	17,832
Miscellaneous	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	1,299,837
Gain/(loss) on asset exchange	-	-	-	-	-	-	(2,513,903)	1,041,382	113,597	(4,645,829)
Transfers	(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)	(5,071,170)
Transfers (capital assets)	-	-	-	-	-	-	-	-	-	(88,753)
Total governmental activities	<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>	<u>105,331,243</u>
Business-type activities										
Unrestricted investment earnings	\$ 795,501	\$ 626,139	\$ 916,154	\$ 960,271	\$ 980,331	\$ 264,471	\$ 675,044	\$ 1,359,927	\$ 757,760	\$ (287,989)
Miscellaneous	110,426	1,375	138	28,062	189,461	515,991	108,443	23,445	157,288	248,021
Gain/(loss) on asset exchange	-	-	-	-	-	78,217	170,119	149,517	241,534	(20,319)
Transfers	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	5,071,170
Transfers (capital assets)	-	-	-	-	-	-	-	-	-	88,753
Total business-type activities	<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>	<u>5,099,636</u>
Total primary government	<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>	<u>\$ 110,430,879</u>
Change in net position										
Governmental activities	\$ 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	\$ 33,924,784
Business-type activities	<u>5,277,705</u>	<u>19,813,565</u>	<u>4,056,234</u>	<u>1,107,558</u>	<u>7,311,574</u>	<u>11,041,614</u>	<u>12,717,027</u>	<u>17,881,804</u>	<u>13,153,605</u>	<u>15,603,327</u>
Total primary government change in net position	<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>	<u>\$ 49,528,111</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 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	\$ 2,542,340
Restricted	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	3,440,722
Committed	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	11,178,497
Assigned	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	8,021,373
Unassigned	-	37,138	1,040,371	1,591,577	5,539,271	7,715,290	2,971,690	5,450,705	8,330,616	28,034,619
Total general fund	<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>	<u>\$ 53,217,551</u>
All other governmental funds										
Nonspendable	\$ 747,000	\$ -	\$ -	\$ -	\$ 1,359,572	\$ 747,000	\$ -	\$ 515,872	\$ -	\$ -
Restricted	86,235,861	85,785,298	92,099,404	89,823,700	92,057,409	98,258,399	114,574,266	126,746,869	124,221,810	137,926,633
Committed	223,080	104,831	1,548,817	-	467,154	104,831	104,831	104,831	104,831	104,831
Assigned	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	5,205,698
Unassigned	-	-	-	(1,736,679)	(305,445)	(4,008)	5	-	-	-
Total all other governmental funds	<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>\$ 128,621,809</u>	<u>\$ 143,237,162</u>

Notes:

(1) The substantial increase or decrease in fund balance restricted, committed, assigned, and unassigned is explained in the Management's Discussion and Analysis (MD&A).

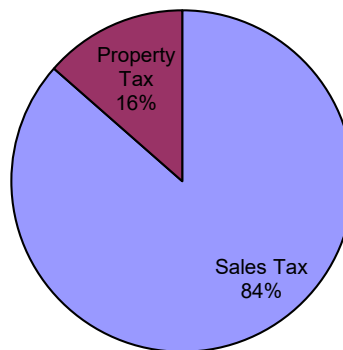
CITY OF PUEBLO, COLORADO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 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	\$ 113,809,467
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	2,090,603	1,849,081	1,611,630	1,798,138	1,741,259	1,986,461	2,170,102	2,362,432	1,754,396	1,707,579
Licenses and permits	574,360	603,249	576,283	591,466	652,734	832,065	896,954	1,016,347	880,489	1,020,502
Intergovernmental	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	23,179,698
Charges for services	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	8,495,295
Investment earnings	454,207	(95,480)	540,404	477,251	391,915	682,348	1,868,791	2,975,462	1,734,784	(79,096)
Disposal of assets	-	-	-	-	-	-	-	4,120,000	-	2,125,000
Miscellaneous	1,011,170	1,503,609	860,354	1,062,995	1,150,565	3,406,114	8,246,804	1,233,855	1,307,963	1,741,399
Total revenues	<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>	<u>152,009,703</u>
Expenditures										
Current										
General government	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	17,122,490
Public safety	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	52,968,566
Public works	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	9,627,392
Parks and recreation	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	6,419,580
Economic development	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	4,016,572
Culture and community welfare	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	10,415,585
Other	521,614	402,110	485,078	601,143	544,756	735,897	-	-	-	-
Debt service										
Principal	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	3,975,707
Interest and other charges	1,267,515	1,204,852	1,270,723	1,138,466	1,165,287	401,897	477,666	436,517	368,605	278,836
Capital outlay	16,076,440	8,422,405	3,306,401	6,965,445	14,997,703	11,284,170	9,467,488	6,591,814	15,928,111	9,548,120
Total expenditures	<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>	<u>114,372,848</u>
Excess revenues over (under) expenditures	<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>	<u>37,636,855</u>
Other financing sources (uses)										
Proceeds from borrowing	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	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	11,519,305
Transfers out	(14,453,381)	(13,605,669)	(13,473,805)	(16,536,285)	(15,326,562)	(18,292,859)	(17,922,541)	(17,969,111)	(19,454,724)	(17,690,475)
Total other financing sources (uses)	<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>	<u>(6,171,170)</u>
Net changes in fund balances	<u>(10,759,213)</u>	<u>(2,572,032)</u>	<u>7,603,657</u>	<u>(347,713)</u>	<u>12,998,751</u>	<u>4,608,249</u>	<u>19,031,505</u>	<u>14,054,045</u>	<u>(561,197)</u>	<u>31,465,685</u>
Fund balances - beginning	<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>165,550,225</u>	<u>164,989,028</u>
Fund balances - ending	<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>\$ 164,989,028</u>	<u>\$ 196,454,713</u>
Debt service as a percentage of non-capital expenditures	3.9%	3.9%	4.9%	4.7%	-1.2%	4.9%	4.2%	4.3%	4.1%	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
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
2021	98,396,574	3.70%	15,412,893	15.633%	113,809,467

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	% of Total
Apparel stores	\$ 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	\$ 22,674,585	0.9%
General merchandise	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	326,038,402	13.4%
Food/drug/liquor stores	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	131,111,134	5.4%
Eating and drinking establishments	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	279,507,199	11.5%
Home furnishings and appliances	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	27,823,264	1.1%
Building materials and farm tools	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	288,993,781	11.9%
Auto dealers and supplies	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	261,611,409	10.7%
Other retail stores	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	549,709,928	22.6%
Utilities	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	208,611,242	8.6%
All other outlets	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	339,151,681	13.9%
Total	<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>\$ 2,435,232,625</u>	<u>100.0%</u>
City direct sales tax rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.70%	3.70%	3.70%	3.70%	

CITY OF PUEBLO, COLORADO
PRINCIPAL SALES TAXPAYERS
December 31, 2021 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>2021</u>	<u>2012</u>
General Merchandise Stores	13%	19%
Utilities	9%	16%
Restaurants	11%	13%
Auto Sales	11%	9%
All other	56%	43%
	<u>100%</u>	<u>100%</u>

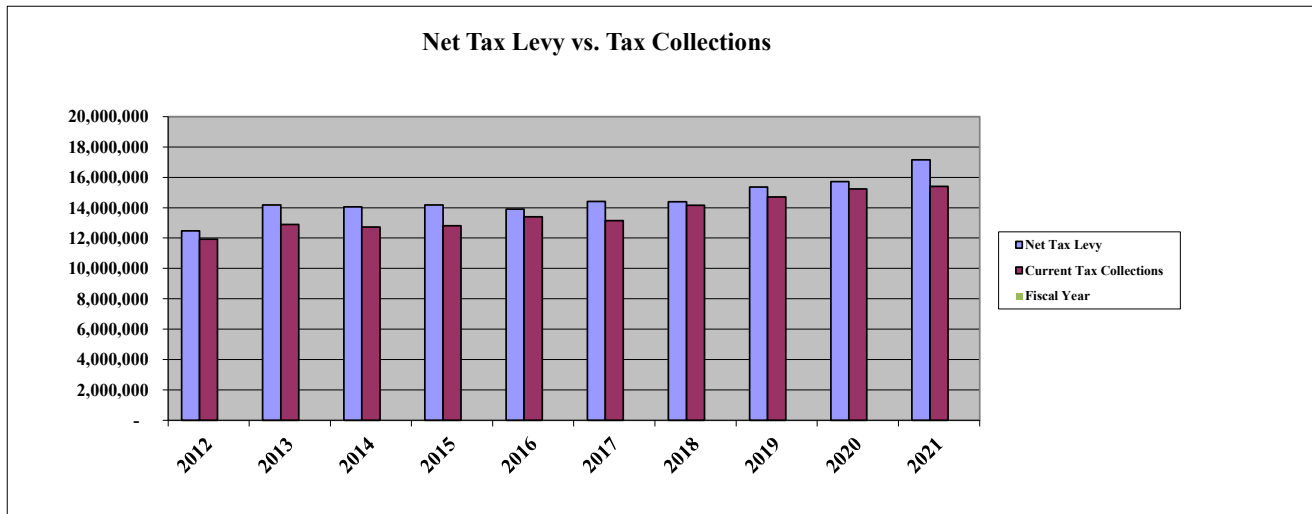
CITY OF PUEBLO, COLORADO
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

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
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%
2021	19,138,944	(1,994,240)	17,144,704	15,409,844	80.5%	3,049	15,412,893	80.5%	10,099,188	52.8%

(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.



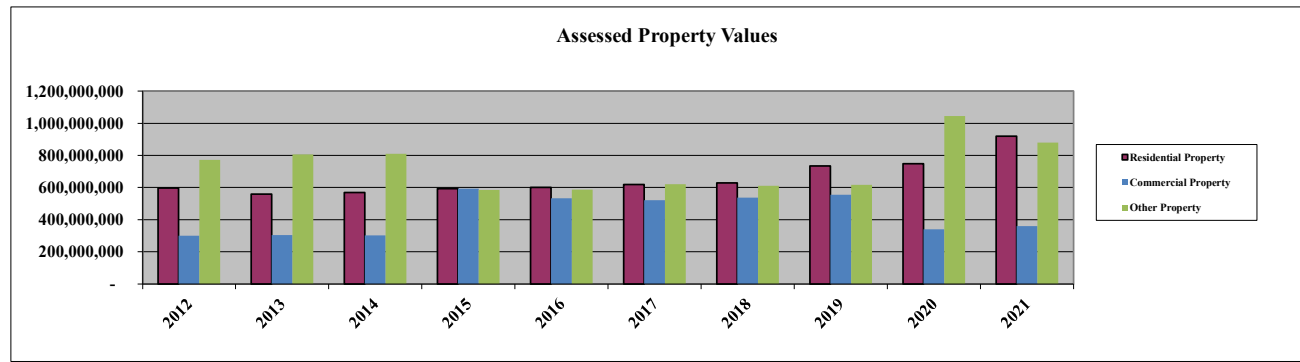
CITY OF PUEBLO, COLORADO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year	(1) Assessed Property Values					Total 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	Total Taxable Assessed Value			
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	(952,326,459)	1,180,791,936	15.633%	15,234,900,867	7.751%
2021	919,319,352	359,909,893	879,868,760	(852,754,712)	1,306,343,293	15.633%	17,132,660,448	7.625%

(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.

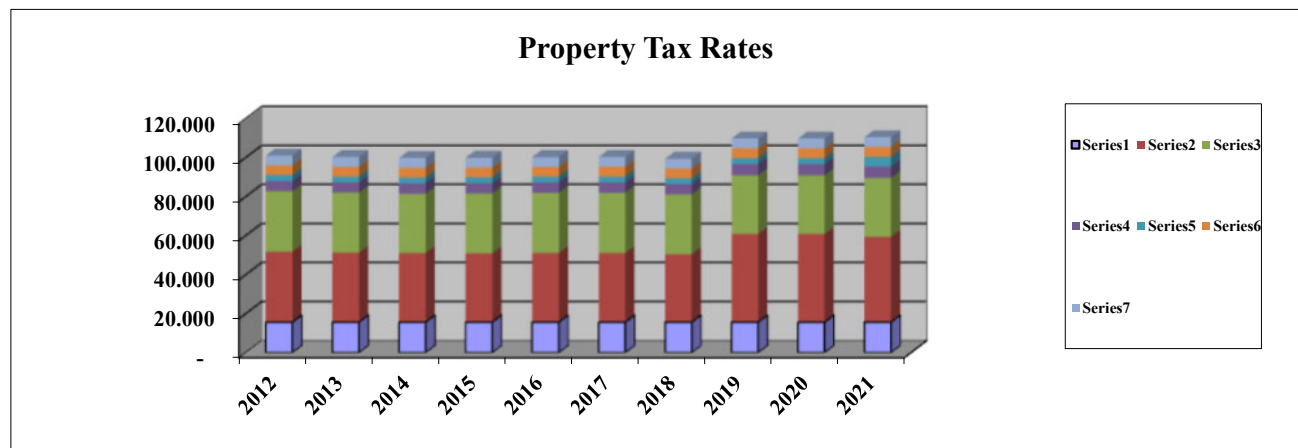
(2) Actual Property Value is the base from which assessed value is derived. Excludes State Assessed and Exempt properties.

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
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
2021	15.633	43.642	30.199	5.889	5.000	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, 2021 and Nine Years Prior

Current Year					Nine Years Prior	
Rank	Taxpayer	Type of Business	2021 Assessed Valuation	Percentage of Total Assessed Valuation	Rank	2012 Assessed Valuation
1	Public Service Co. of Colorado	Natural gas utility	\$ 239,651,283	18.3%	1	\$ 196,305,798
2	Black Hills Colorado Electric	Electric utility	56,277,873	4.3%	5	30,433,340
3	Black Hills Colorado IPP LLC	Electric utility	45,650,300	3.5%	2	73,173,523
4	Intermountain Rural Electric	Electric utility	41,194,700	3.2%	3	51,608,300
5	Catholic Health Initiative	Medical	28,435,700	2.2%		
6	C S Wind America Inc	Electric utility	16,732,540	1.3%	8	12,460,087
7	Holy Cross Electric Assn Inc	Electric utility	14,159,800	1.1%	7	13,429,300
8	C S Wind America Inc	Electric utility	11,641,348	0.9%		
9	Parkview Medical Center Inc	Medical	9,799,940	0.8%	9	7,371,722
10	Qwest Corporation	Communications	9,526,400	0.7%	6	16,205,200
	Vestas Towers America Inc	Electric utility			4	33,918,835
	Comcast of Colorado IV LLC	Communications			10	6,859,082
Total 2021 property tax valuation for City of Pueblo			1,306,343,293			

Note: Ranking based upon 2021 collections of tax amounts due calculated on 2020 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			
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
2021	-	-	6,262,381	1,459,994	-	-	-	537,425	23,816,351	32,076,151	0.44%	283

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
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%	-
2021						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, 2021

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Pueblo	Amount Applicable to City of Pueblo
Direct debt	\$ 7,722,375	100%	\$ 7,722,375
Total direct debt	<u>\$ 7,722,375</u>		<u>\$ 7,722,375</u>
Overlapping entities:			
Board of Water Works	\$ 18,595,000	0.0%	\$ -
Pueblo City-County Library District	14,888,727	0.0%	-
Thunder Village Special District	6,500,000	0.0%	-
Pueblo Conservancy District	21,257,126	0.0%	-
PURA	110,813,579	0.0%	\$ -
Pueblo County Debt	104,604,425	0.0%	-
School District #60 Debt	223,696,975	0.0%	-
Total overlapping debt	<u>\$ 500,355,832</u>		<u>\$ -</u>
Total direct and overlapping debt	<u>\$ 508,078,207</u>		<u>\$ 7,722,375.00</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 2021</u>
Assessed value - 2021 for 2022 taxes		\$ 1,306,343,293
Debt limitation - Ten percent of total assessed value		130,634,329
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>\$ 130,634,329</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>	<u>2021</u>
Debt limit	\$ 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	130,634,329
Total net debt applicable to limit	<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>	<u>-</u>
Legal debt margin	<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>	<u>\$ 130,634,329</u>
Total net debt applicable to the limit as a percentage of debt limit	3.39%	2.60%	1.77%	0.89%	0.00%	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
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
2021	29,354,445	16,487,234	12,867,211	1,881,097	489,008	5.43

- (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
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
2021	5,155,312	3,562,429	1,592,883	289,102	153,447	3.60

- (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
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	15,592	5.8%
2019	113,116	6,619,192	39,511	38.3	86.1	16,048	3.6%
2020	113,679	6,851,552	40,680	38.4	82.6	15,167	8.2%
2021	113,408	7,335,716	43,196	38.4	81.7	15,134	6.4%

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	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Parkview Hospital Medical Center	2,210	1	2.9%	2,471	1	5.8%
Pueblo City Schools (School District No. 60)	1,759	2	2.3%	1,850	2	4.3%
Evraz Rocky Mountain Steel	1,332	3	1.7%	1,169	4	2.7%
Pueblo County	1,089	4	1.4%	1,100	6	2.6%
Walmart*	1,088	5	1.4%	1,174	3	2.7%
School District No. 70	1,068	6	1.4%	997	8	2.3%
St Mary-Corwin Medical Ctr	810	7	1.1%	1,165	5	2.7%
Convergys	700	8	0.9%	685	10	1.6%
Target Corp (Distribution & Store)	700	8	0.9%			
City of Pueblo	672	9	0.9%	720	9	1.7%
Vestas Tower America Inc.	611	10	0.8%			
St Mary-Corwin Hospital				1,058	7	2.5%
Total	12,039		15.8%	12,389		28.8%
Pueblo County resident employment	76,198			42,960		

*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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
City manager's office	6.00	6.00	6.00	6.00	6.00	6.00	4.00	-	-	
Mayor's office	-	-	-	-	-	-	-	4.00	8.00	7.00
Municipal court	9.00	9.00	10.00	10.00	10.00	10.00	11.00	11.00	14.00	14.00
City clerk's office	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	6.00
Human resources	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00
Finance	18.00	18.00	18.00	20.00	20.00	22.00	22.00	22.00	25.00	26.00
Civil service	3.00	3.00	3.00	6.00	5.00	2.00	2.00	2.00	5.00	5.00
Law	6.00	6.00	6.00	7.00	7.00	8.00	8.00	8.00	8.00	8.00
Information technology	15.75	15.75	15.75	16.00	18.00	18.00	19.00	19.00	18.00	18.00
Planning/comm dev	16.00	12.00	12.00	14.00	14.00	14.00	14.00	14.00	12.00	15.00
Purchasing	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Housing/comm svcs	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Fleet maintenance	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Police	268.00	271.00	271.00	273.00	274.00	299.50	299.50	299.50	299.50	300.00
Fire	143.00	140.00	140.00	140.00	140.00	145.00	145.00	145.00	146.00	149.00
Public works	74.00	74.00	74.00	74.00	74.00	72.00	72.00	72.00	75.00	78.00
Parks and recreation	38.00	38.00	38.00	38.00	39.00	39.50	39.00	39.00	42.50	44.00
Business-type activities:										
Wastewater utility	51.50	52.50	52.50	56.50	57.50	56.50	59.50	59.50	60.00	62.00
Stormwater utility	18.50	19.50	19.50	19.50	19.50	19.50	20.00	20.00	19.00	23.00
Memorial airport	11.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	13.00	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	2.00	1.00	1.00	1.00	-	-	-	-	-	
Total	<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>	<u>797.00</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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Number of arrests	3,671	3,758	3,981	4,257	4,530	4,656	4,544	4,567	3,246	3,413
Number of traffic violations	7,102	7,498	6,798	5,200	6,085	6,982	7,124	9,996	6,654	5,119
Number of parking violations	9,576	8,545	7,804	7,113	7,576	9,200	9,377	7,505	4,344	3,451
Fire										
Number of fire calls answered	4,797	5,246	5,708	6,651	7,183	2,265	578	465	518	570
Number of medical responses	11,894	12,921	14,113	15,367	16,596	14,765	14,890	14,714	14,848	17,088
Number of inspections	3,924	2,869	1,540	1,534	2,066	2,302	1,352	1,637	840	788
Parks and recreation										
Aquatics participants	45,449	34,381	40,093	42,808	37,075	46,445	52,278	53,633	21,116	56,842
Adult athletics participants	1,290	825	735	630	540	690	815	864	540	480
Youth athletics participants	1,764	1,581	1,883	1,941	1,627	1,487	1,601	1,966	316	1,195
Playground/Open gym participants	639	116	139	215	42	-	-	-	-	-
Tennis participants	152	1,025	892	296	381	295	372	437	167	230
Elmwood golf course										
Golf rounds played	64,398	26,898	25,078	26,701	59,952	59,347	60,602	57,186	62,049	64,761
Walkingstick golf course										
Golf rounds played	30,798	27,714	25,388	27,423	27,558	26,775	25,815	24,991	30,884	31,510
Wastewater utility										
Number of sanitary sewer service connections	37,595	37,595	37,524	37,819	37,958	37,976	37,976	38,694	38,966	39,142
Daily average wastewater treatment in gallons	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	11,143,000
Maximum daily wastewater treatment capacity in gallons	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	15,170,000
Memorial airport										
Enplanements	9,417	6,182	6,386	3,114	2,298	3,697	10,512	12,396	5,324	9,011
Air traffic control tower operations	165,876	146,807	142,524	170,865	168,563	176,595	196,269	221,173	151,961	179,179
Pueblo Transit										
Ridership	1,094,391	995,589	1,009,852	993,404	903,046	877,227	861,728	831,954	496,555	472,117
Number of days service operated	307	307	307	307	308	299	307	309	307	310
Parking facilities										
Parking permits sold	5,498	5,020	4,317	3,355	4,756	3,814	3,240	3,686	1,748	527

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	97	102	73	68	64	62	78	75	75	71
Number of other police vehicles	106	96	125	125	140	148	163	152	154	145
Fire										
Number of stations	11	12	10	10	10	10	10	10	10	10
Public Works										
Miles of paved streets maintained	479	491	492	486	496	498	498	500	502	506
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	103	104	105	105
Parks and recreation										
Number of parks	127	127	127	127	127	127	127	119	119	119
Number of acres of parks	3950	3406	3406	3406	3950	4434	4425	4486	4486	4486
Number of playgrounds	47	47	47	47	47	47	42	42	42	39
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	27	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	467	467	468	468	464	464	464	466	468	470
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Stormwater utility										
Miles of storm sewers	117	118	118	118	118	119	168	171	173	175
Pueblo Transit										
Vehicles used in maximum service:										
Fixed Route	14	14	14	14	13	13	13	13	13	14
Citi-Lift	11	11	11	11	11	11	12	11	11	11

Sources: Various city departments.

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

Government Auditing Standards and
Uniform Guidance Reports

**Independent Auditors' Report On Internal
Control Over Financial Reporting And On
Compliance And Other Matters Based On An
Audit Of Financial Statements Performed
In Accordance With *Government
Auditing Standards***

City Council
City of Pueblo, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of City of Pueblo, Colorado (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 30, 2022.

Report On Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a material weakness. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a significant deficiency.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the responses.

Report On Compliance And Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose Of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RubinBrown LLP

September 30, 2022

**Independent Auditors' Report
On Compliance For Each Major Federal
Program, Report On Internal Control Over
Compliance And Report On The Schedule
Of Expenditures Of Federal Awards Required
By The Uniform Guidance**

City Council
City of Pueblo, Colorado

Report On Compliance For Each Major Federal Program

Opinion On Each Major Federal Program

We have audited City of Pueblo, Colorado's (the City's) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget's *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis For Opinion On Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Uniform Guidance. Our responsibility under those standards and Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) are further described in the Auditors' Responsibilities For The Audit Of Compliance section of our report.

We are required to be independent of the City and to meet our ethical responsibilities in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities Of Management For Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities For The Audit Of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report On Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities For The Audit Of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-003 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report On Schedule Of Expenditures Of Federal Awards Required By The Uniform Guidance

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 as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated September 30, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RubinBrown LLP

September 30, 2022

CITY OF PUEBLO, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2021

Page 1 Of 3

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal ALN Number	Pass Through Entity Identifying Number	Expenditures	Amount Provided to Subrecipients
U.S. DEPARTMENT OF JUSTICE				
Edward Byrne Memorial Justice Assistance Grant Program	16.738		92,707	-
Equitable Sharing Program	16.922		204,134	-
Missing Children's Assistance	16.543		6,795	-
COVID-19 - Coronavirus Emergency Supplemental Funds	16.034		28,095	-
TOTAL U.S. DEPARTMENT OF JUSTICE			331,731	-
U.S. DEPARTMENT OF HOMELAND SECURITY				
Staffing for Adequate Fire and Emergency Response	97.083		19,429	-
Assistance to Firefighters Grant	97.044		87,397	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			106,826	-
U.S. DEPARTMENT OF TREASURY				
Passed through Colorado Department of Local Affairs				
COVID-19 - Coronavirus Relief Funds	21.019	CVRF CM-057, RF-036 & RF-198	347,478	-
Passed through Pueblo County				
COVID-19 - Coronavirus Relief Funds	21.019	CM-056	220,834	-
Total ALN 21.019			568,312	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		2,506,523	1,037,704
TOTAL U.S. DEPARTMENT OF TREASURY			3,074,835	1,037,704

See the notes to schedule of expenditures of federal awards.

CITY OF PUEBLO, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2021

Page 2 Of 3

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal ALN Number	Pass Through Entity Identifying Number	Expenditures	Amount Provided to Subrecipients
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Colorado Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	TAP M086-077 (21985)	507,462	-
Highway Planning and Construction	20.205	STE M086-053 (16810)	280,595	-
Highway Planning and Construction	20.205	20-HA2-XC-03013	53,612	-
Highway Planning and Construction	20.205	14-HA2-51601	14,252	-
Total Highway Planning and Construction Cluster			855,921	-
Highway Safety Cluster				
State and Community Highway Safety	20.600	411021528/411025124	16,008	-
Total Highway Safety Cluster			16,008	-
Passed through Pueblo Area Council of Governments				
Metropolitan Transportation Planning & State & Non-Metro Planning Research	20.505	2020-2021	312,603	-
Metropolitan Transportation Planning & State & Non-Metro Planning Research	20.505	2022-2023	72,444	-
Total ALN 20.505			385,047	-
Highway Research and Development Program	20.200	411028459	763	-
Total Metropolitan Transportation Planning & State & Non-Metro Planning Research			385,810	-
Direct Award				
Airport Improvement Program	20.106		1,243,795	-
COVID-19 - CRRSA Act Grant (Airport Improvement Program)	20.106		555,065	-
Total ALN 20.106			1,798,860	-
Federal Transit Cluster				
Federal Transit Formula Grants	20.507		2,060,877	-
COVID-19 - ER Response (Federal Transit Formula Grants)	20.507		47,361	-
Total ALN 20.507			2,108,238	-
Bus and Bus Facilities Formula Program	20.526	491001950	544,800	-
Total Federal Transit Cluster			2,653,038	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			5,709,637	-

See the notes to schedule of expenditures of federal awards.

CITY OF PUEBLO, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2021

Page 3 Of 3

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal ALN Number	Pass Through Entity Identifying Number	Expenditures	Amount Provided to Subrecipients
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
CDBG Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218		1,130,700	128,165
Total CDBG Entitlement Grants Cluster			1,130,700	128,165
Home Investments Partnerships Program	14.239		858,247	127,834
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			1,988,947	255,999
U.S. DEPARTMENT OF ENVIRONMENT PROTECTION AGENCY				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818		17,507	-
TOTAL U.S. DEPARTMENT OF ENVIRONMENT PROTECTION AGENCY			17,507	-
TOTAL EXPENDITURES OF FEDERAL AWARDS		Grand Total:	\$ 11,229,483	\$ 1,293,703

See the notes to schedule of expenditures of federal awards.

CITY OF PUEBLO, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended December 31, 2021

1. Organization

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of City of Pueblo, Colorado (the City), for the year ended December 31, 2021. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

2. Basis Of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City and is presented on the modified accrual basis of accounting. The information in the accompanying schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Therefore, some amounts presented in the schedule may differ from the amounts presented in, or used in, the preparation of the basic financial statements.

3. Indirect Costs

The City has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

CITY OF PUEBLO, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For The Year Ended December 31, 2021

Section I - Summary Of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	☒ yes	☐ no
Significant deficiency(ies) identified?	☒ yes	☐ none reported
Noncompliance material to financial statements noted?	☐ yes	☒ no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	☐ yes	☒ no
Significant deficiency(ies) identified?	☒ yes	☐ none reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ yes ☒ no

Identification of major federal programs:

CFDA No.	Name Of Federal Program Or Cluster
21.027	(COVID-19) State and Local Fiscal Recovery Funds
20.205	Highway Planning and Construction Cluster
20.106	(COVID-19) Airport Improvement Program
14.218	CDBG-Entitlement Grant Cluster
14.239	Home Investment Partnership Program
21.019	(COVID-19) Coronavirus Relief Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

CITY OF PUEBLO, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*) For The Year Ended December 31, 2021

Section II - Financial Statement Findings

Finding 2021-001 - Omitted Accruals of Progress Billings

Material Weakness

Criteria Or Specific Requirement: The City is responsible for establishing and implementing a system of internal accounting control that will prevent, detect and correct errors in a timely manner related to financial reporting, including those around the accounts payable process and construction invoices.

Condition: There were 16 payment applications where work was performed during the fiscal year but were not accrued during the year-end close process. Upon additional review, there were an additional 16 invoices included in 2021 expenditures that should have been accrued in 2020.

Context: The 16 payment application for 2021 were for \$2,452,400, and the additional 16 pay applications that should have been accrued in 2020 were for \$1,778,642, across multiple funds.

Effect: Without proper controls and review of the year-end accrual process related to accounts payable and accrual, errors may go undetected by management and not be corrected in a timely manner.

Cause: The City has developed an internal control framework. While the City had implemented a process related to accruals, the policy regarding the timing of recognizing certain progress invoices omitted accrual of these amounts.

Identification As A Repeat Finding: No

Recommendation: We recommend that the City develop a processes within the internal control framework surrounding the year-end close process to accrue back all invoices that were received and also record an estimated accrual for expenditures for which services have been rendered for which an invoice is not yet available.

Views Of Responsible Officials And Planned Corrective Action: See corrective action plan

CITY OF PUEBLO, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*) For The Year Ended December 31, 2021

Finding 2021-002 - Fund Revenue Recognition

Significant Deficiency

Criteria Or Specific Requirement: The City is responsible for establishing and implementing a system of internal accounting control that will prevent, detect and correct errors in a timely manner related to financial reporting, including those around the revenue recognition and deferred inflow reconciliations.

Condition: There was an instance whereas the City did not recognize the revenue related to a long-term loan payment during the year in which it was received.

Context: The amount of \$1,021,460 should have been recognized as revenue in a previous fiscal year, understating fund balance as of the beginning of the year by that amount. The amount was properly recognized as revenue for the purposes of the governmental statement of activities in the correct period.

Effect: Without proper controls and review of the deferred inflow accounts, errors may go undetected by management and not be corrected in a timely manner.

Cause: The City has developed an internal control framework. While the City performs reconciliation of deferred inflows at the end of the year, this item was missed on the fund level, despite being included as a revenue for governmental activity purposes properly.

Identification As A Repeat Finding: No

Recommendation: We recommend that the City develop a processes within the internal control framework surrounding the year-end close process around deferred inflow and unearned revenue to insure proper recognition of revenue on the fund level.

Views Of Responsible Officials And Planned Corrective Action: See corrective action plan.

CITY OF PUEBLO, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*) For The Year Ended December 31, 2021

Section III - Federal Award Findings And Questioned Costs

Finding 2021-003 - Internal Controls Over Schedule Of Expenditure Of Federal Awards

Award Listing Number 20.106: Airport Improvement Program

Federal Agency: U.S. Department of Transportation

Significant Deficiency

Criteria Or Specific Requirement: The City is required to comply with the reporting requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) for the Schedule Of Expenditures Of Federal Awards (the SEFA). Federal regulations (2 CFR Section 200.510) specifically require that the SEFA include information on each federal award expended during the year using a common basis of accounting.

Condition: We found that the City misstated its federal expenditures for fiscal year 2021 on its SEFA.

Context: Due to the lack of certain progress billings that were federal in nature, the City's SEFA was understated by \$570,681.

Effect: Without proper controls and review of the preparation of the SEFA, errors may go undetected by management and not be corrected in a timely manner.

Cause: The City has developed an internal control framework. While the City had implemented a process related to accruals, the policy regarding the timing of recognizing certain progress invoices omitted accrual of these amounts in that process. Some of these invoices were expenditure for federal programs to be reported on the SEFA.

Identification As A Repeat Finding: No

Recommendation: We recommend that the City strengthen its internal controls by implementing additional training and oversight of the federal expenditure accrual process to ensure the SEFA accurately reflects federal expenditures for the fiscal year.

Views Of Responsible Officials And Planned Corrective Action: See corrective action plan.

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Department of Finance

September 15, 2022

Corrective Action Plan (CAP) *For the Year Ended December 31, 2021*

Audit Period: December 31, 2021

Audit Finding Number: 2021-001

Audit Finding Title: Omitted Accruals of Progress Billings

Personnel Responsible for Laura Solano, Chief of Staff
Corrective Action: Anna Elliss, Accounting Manager

Anticipated Completion September 30, 2022
Date:

Corrective Action Plan: The City of Pueblo agrees with the auditors' recommendation to execute policy changes regarding accrued liabilities. City of Pueblo will implement policy changes to existing policy regarding Accounts Payable – Year End Processing. Current Policy states, "Construction Contract payments are not a liability until the payment authorization is signed by all of the required signatures." This will be updated to reflect auditor recommendations to use the date the expense was incurred rather than of sign-off date, to properly record any accrued liabilities at year-end. In addition, Finance Department staff will calculate a reasonable estimate to assign value to the accrual of percentage of work completed but not paid. This would pertain to any long-term contracts entered into by the City of Pueblo that extend more than one fiscal period where the following conditions exist: there is work in progress at year-end, the ownership has not passed to the City of Pueblo, the vendor issues no progress billing. City of Pueblo Finance Department will also work in conjunction with all City Departments to ensure disclosure of/and adherence to policy change.

Department of Finance

Corrective Action Plan (CAP), continued *For the Year Ended December 31, 2021*

Audit Period: December 31, 2021

Audit Finding Number: 2021-002

Audit Finding Title: Fund Revenue Recognition

Personnel Responsible for Laura Solano, Chief of Staff
Corrective Action: Anna Elliss, Accounting Manager

Anticipated Completion September 30, 2022
Date:

Corrective Action Plan: The City of Pueblo found and disclosed an error in revenue recognition to the auditors at the beginning of the current fiscal year audit. This error was identified when a review process was initiated during 2021 year-end processing. Management acknowledges that there were deficiencies in processes regarding recognition of revenue for a payment made on a manual receivable account. Finance staff will book any new receivables in the A/R Module in the City of Pueblo's recordkeeping software, Tyler Munis. Finance Department Management will ensure that the review process initiated during 2021 will continue for all year-end reconciliations and processes including a thorough review of all deferred inflow and outflow accounts.

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Department of Finance

Corrective Action Plan (CAP), continued *For the Year Ended December 31, 2021*

Audit Period: December 31, 2021

Audit Finding Number: 2021-003

Audit Finding Title: Internal Controls Over Schedule of Expenditure of
Federal Awards (SEFA)

Personnel Responsible for Laura Solano, Chief of Staff
Corrective Action: Anna Elliss, Accounting Manager

Anticipated Completion September 30, 2022
Date:

Corrective Action Plan: The City of Pueblo agrees with the auditors' recommendation to implement training regarding internal controls over SEFA. The City of Pueblo found and disclosed an error in the SEFA while working to mitigate *Finding 2021-001*. The City of Pueblo will make policy changes noted in *Finding 2021-001*. The City of Pueblo will require additional training to staff regarding oversight of the federal expenditures accrual process.