

City of Pueblo, Colorado is pleased to present its annual comprehensive financial report for the year ending December 31, 2023 in .pdf format.

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City of Pueblo, Colorado



2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

For fiscal year ending December 31, 2023

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CITY OF PUEBLO, COLORADO
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023

Prepared by:

Department of Finance

CITY OF PUEBLO, COLORADO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023

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Introductory Section

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September 25, 2024

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

The Annual Comprehensive Financial Report of the City of Pueblo, Colorado for the fiscal year ended December 31, 2023, 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.

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 annual comprehensive 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 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 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 experienced a record growth in 2021 from stimulus program spending as well as a new influx of businesses filing through the Colorado Sales and Use Tax System (SUTS) online portal. Following the robust performance in 2021, sales and use tax continued to rise in 2022, with a 4% increase. This positive trend reflected the recovery from pandemic-related challenges as well as a growing number of businesses using the SUTS portal.

However, in 2023, there was a modest 2% decrease. This decline might be attributed to adjustments as the city settled into a new baseline after the exceptional years prior.

Critical economic development projects are currently in process with more on the horizon. These projects will leave a positive and lasting impact on Pueblo economic growth in the years to come. Pueblo School District 60 opened their doors to two new high schools and three new elementary schools after construction projects were finished in 2023. The City of Pueblo also worked with the Pueblo Economic Development Corporation to form an agreement bringing Michigan based furniture manufacturer, Fomcore, to the City.

Development in the City of Pueblo has also seen a significant increase. During 2023, 7 new subdivision applications were approved. These subdivisions included 3 residential, 3 commercial, and 1 governmental use application. These approved subdivisions will add 352.34 acres, 14 lots, and 21 parcels to City of Pueblo. Approval of these new subdivisions will bring new housing and commercial opportunities to Pueblo. This growth continues with new subdivision applications continuing to be reviewed during 2024.

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 2023, long-term financial planning involved finalizing the certificates of participation to construct three new fire stations. The City was also able to purchase the land to be used to begin construction of phase IV of the Historic Arkansas River Project.

In 2022, City of Pueblo voters approved ballot issue 2B which extended the Public Safety Tax through 2027. These tax revenues have played a crucial role in securing funding for police staffing as well as operating expenses.

Budgetary Controls

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.

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 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 financed purchases are administered by the Finance Department with overview 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.

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 annual comprehensive financial report for the year ending December 31, 2022. This was the 46th 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 annual comprehensive 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 annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for the 2023 certificate.

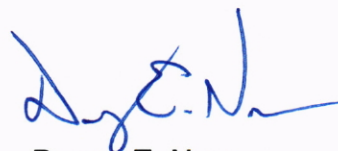
Acknowledgments

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

Heather Graham
Mayor



Danny E. Nunn
Interim Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pueblo
Colorado**

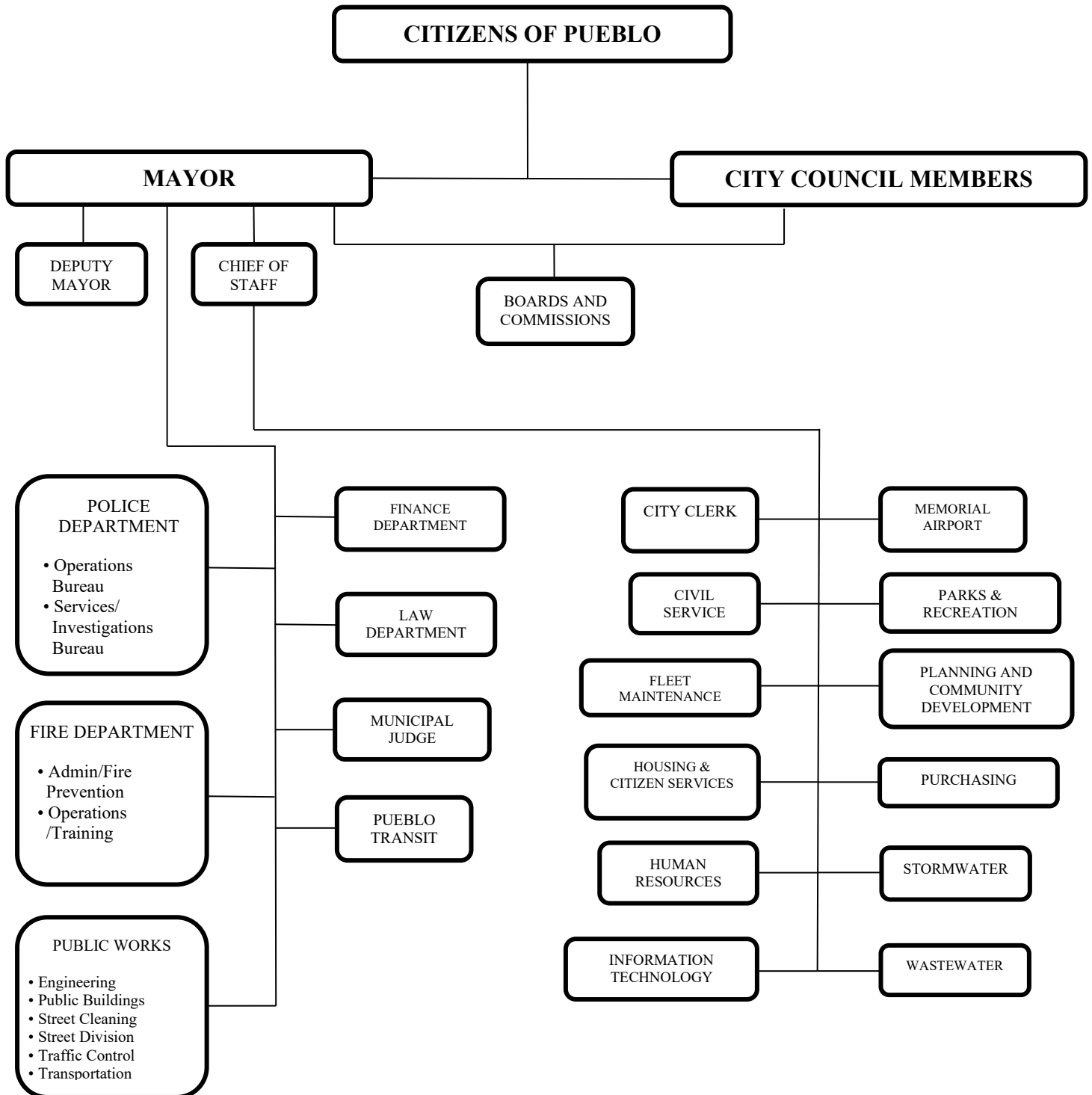
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART





**CITY OF PUEBLO
COLORADO**

**2023
ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

COUNCIL PRESIDENT

Heather Graham

COUNCIL MEMBERS

Larry Atencio
Vicente Martinez Ortega
Sarah Martinez
Regina Maestri
Dennis Flores
Lori Winner

MAYOR

Nicholas A. Gradisar

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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, 2023, 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, 2023, 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 A Matter

As discussed in Note 1-S, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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 130 through 136, and the City's required pension and OPEB schedules on pages 137 through 148 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, the Schedule of Passenger Facility Charges Collected and Expended and the schedule of expenditures of federal awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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, combining and individual fund financial statements and schedules, the Local Highway Finance Report, the Schedule of Passenger Facility Charges Collected and Expended and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 25, 2024 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 solely 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 the effectiveness of the City's 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 25, 2024

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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, 2023. 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, 2023, by \$853.8 million (net position), \$571.9 million in governmental activities and \$281.9 million in business-type activities. The City's net position increased by \$39.9 million or 4.9% as a result of current year activity.

The General Fund, the City's primary operating fund, ended 2023 with a \$56.5 million fund balance, a decrease of \$9.5 million. Of this amount, \$12.7 million or 10% of expenditures and transfers-out is committed by City Council as a minimum reserve for major unanticipated emergencies.

General fund revenues including transfers in increased \$1.1 million and expenditures including transfers out increased by \$24.4 million in 2023. The increase in revenues was largely due to an increase in investment earnings. This increase was buoyed by the Federal Reserve's interest rate hikes during 2023. Increased expenditures were driven by a large transfer out to the Public Improvement fund for needed Capital improvements and increased expenditures in all areas of the government.

The City's total long-term debt increased by \$74.5 million during the current year. 57.1% of the increase is due to increases in the City's Pension and Other Post Employment Benefit (OPEB) obligations at year end. Reports issued by FPPA and PERA showed increases in the liabilities relating to the plans with no changes in the actuarial assumptions. In addition, the City issued Certificates of Participation in 2023 for \$32 million for the construction of three new fire stations.

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, health 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 \$853.8 million at December 31, 2023. This net position is an increase from 2022 and is due to both significant increases in investments and a increase in net pension liabilities due to Pension and OPEB obligations. By far, the largest portion of the City's net position (64.3%) reflects its investment of \$548.7 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.

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An additional portion of the City's net position, \$181.7 million (21.3%) represents resources that are subject to restrictions as to how they may be used. The unrestricted net position in total shows a surplus of \$123.5 million, however it is important to note that the governmental activities unrestricted fund balance only shows a surplus of \$28.6 million, and the \$94.8 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, 2023, and 2022:

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$345,112,535	\$322,182,975	\$107,463,625	\$ 89,594,641	\$ 452,576,160	\$411,777,616
Capital assets	364,432,927	351,574,038	203,115,268	206,233,982	567,548,195	557,808,020
Total assets	709,545,462	673,757,013	310,578,893	295,828,623	1,020,124,355	969,585,636
Deferred outflows of resources	38,896,606	17,359,228	4,653,783	1,384,367	43,550,389	18,743,595
Current and other liabilities	41,930,415	43,146,831	6,200,467	6,063,226	48,130,882	49,210,057
Long-term liabilities outstanding	94,881,290	26,309,888	26,387,398	20,457,916	121,268,688	46,767,804
Total liabilities	136,811,705	69,456,719	32,587,865	26,521,142	169,399,570	95,977,861
Deferred inflows of resources	39,698,973	70,977,767	745,124	7,430,706	40,444,097	78,408,473
Net position						
Net investment in capital assets	361,586,950	347,671,902	187,071,710	187,537,018	548,658,660	535,208,920
Restricted	181,709,992	150,003,608	-	-	181,709,992	150,003,608
Unrestricted	28,634,448	53,006,245	94,827,977	75,724,124	123,462,425	128,730,369
Total net position	\$571,931,390	\$550,681,755	\$281,899,687	\$263,261,142	\$ 853,831,077	\$813,942,897

The City's total net position increased by \$39.9 million in 2023. As noted earlier, this change is due to both increased total assets including Investment and Capital assets and an increase in deferred outflows due to increases in Pension and OPEB liabilities. Some other notable changes include a \$6.7 million increase in Operating Grants and Contributions largely due to increased Economic Development activities. Other items of note are a \$18.6 million increase Public Safety expenses due to an increase in personnel costs and the increases in Pension and OPEB liabilities discussed earlier, and a \$17.8 increase in General Government expense due to increased spending on Capital assets. Details of capital asset activity can be seen in an additional chart further on in this report. Unrestricted net position decreased \$5.3 million.

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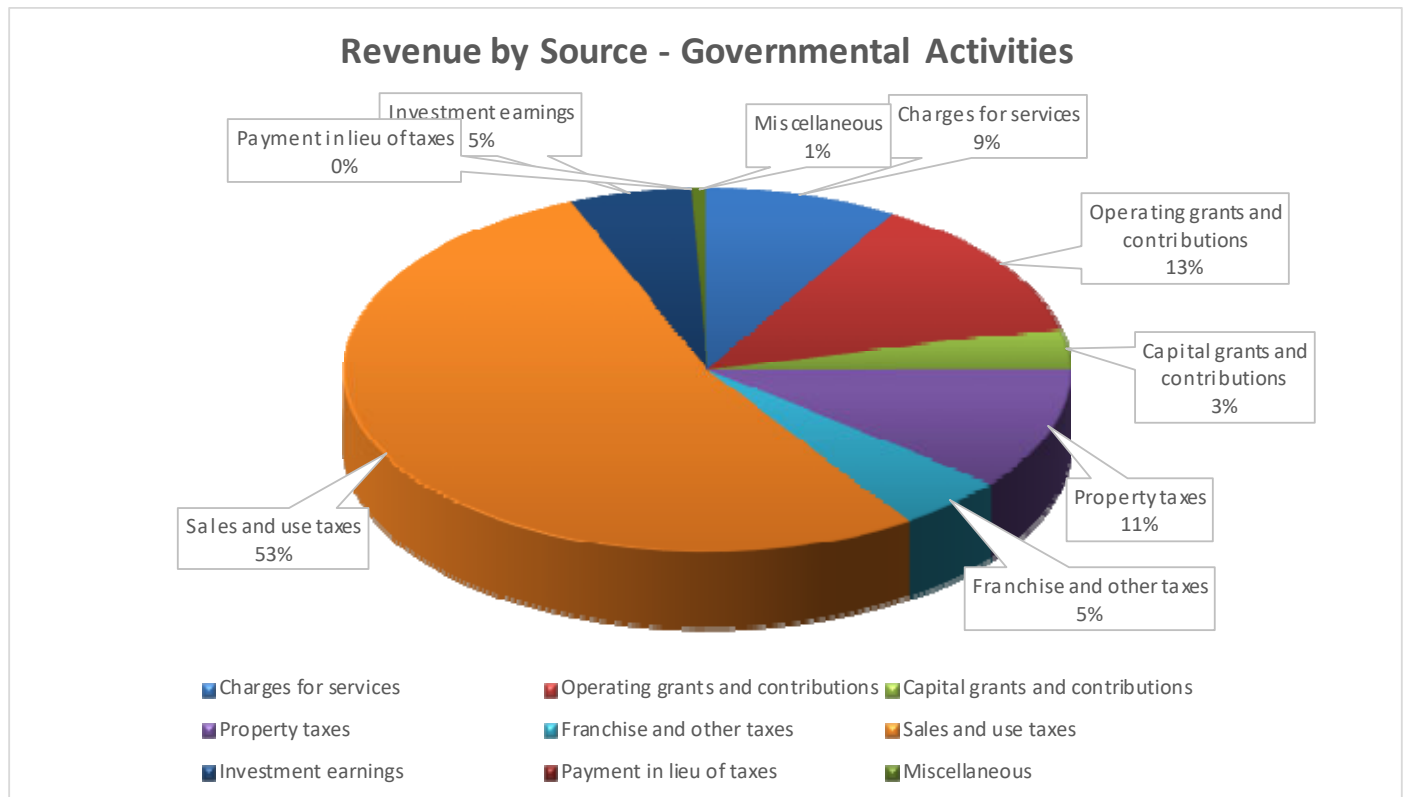
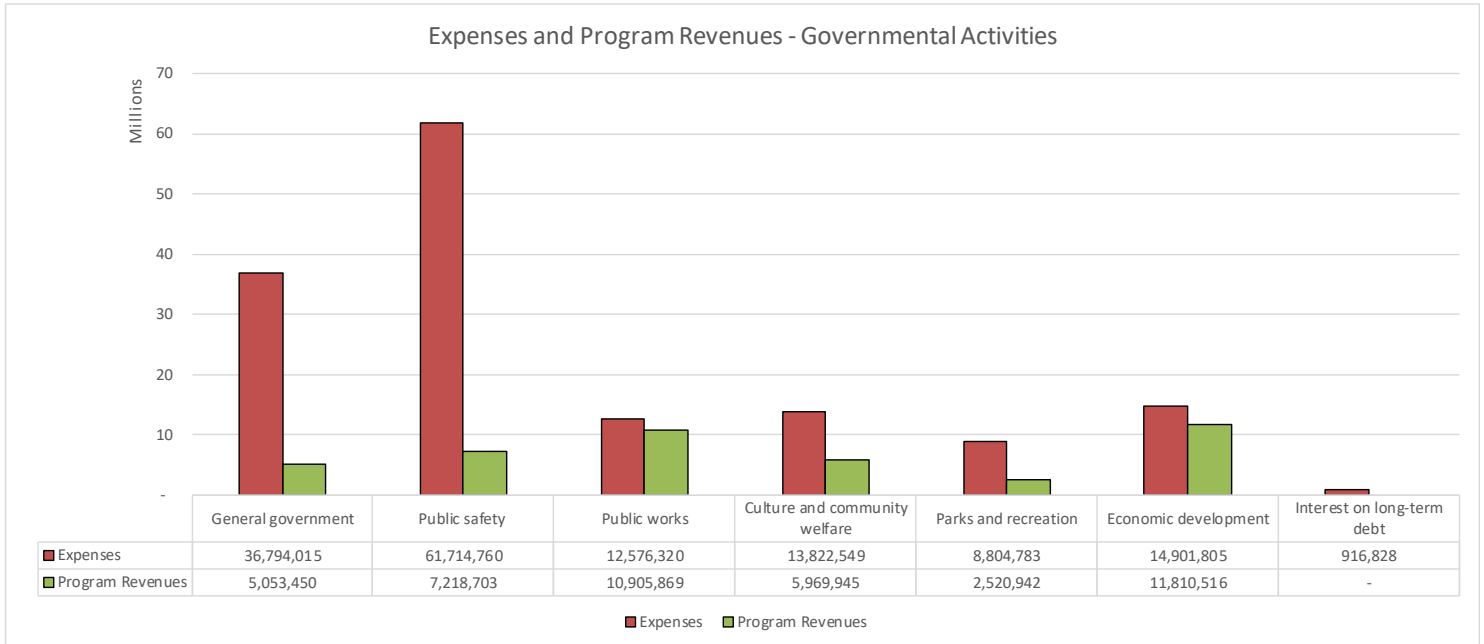
Changes in net position. The following table reflects the City's changes in net position for the years ended December 31, 2023, and 2022:

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2023	2022	2023	2022	2023	2022
Revenue:						
Program revenues:						
Charges for services	\$ 14,997,642	\$ 16,405,072	\$ 46,770,376	\$ 44,260,505	\$ 61,768,018	\$ 60,665,577
Operating grants and contributions	22,353,242	13,756,877	2,610,901	4,526,394	24,964,143	18,283,271
Capital grants and contributions	6,128,541	7,112,429	2,736,953	953,679	8,865,494	8,066,108
General revenues:						
Property taxes	18,573,666	18,850,371	-	-	18,573,666	18,850,371
Special property taxes	71,586	70,279	-	-	71,586	70,279
Franchise and other taxes	8,597,485	8,315,808	-	-	8,597,485	8,315,808
Sales and use taxes	92,703,796	93,763,595	-	-	92,703,796	93,763,595
Payment in lieu of taxes	9,859	9,859	-	-	9,859	9,859
Investment earnings	9,473,066	(604,188)	5,101,042	(984,245)	14,574,108	(1,588,433)
Other	1,201,128	1,374,756	514,771	377,024	1,715,899	1,751,780
Total revenues	<u>174,110,011</u>	<u>159,054,858</u>	<u>57,734,043</u>	<u>49,133,357</u>	<u>231,844,054</u>	<u>208,188,215</u>
Expenses:						
General government	36,794,015	19,031,481	-	-	36,794,015	19,031,481
Public safety	61,714,760	43,072,584	-	-	61,714,760	43,072,584
Public works	12,576,320	10,139,094	-	-	12,576,320	10,139,094
Culture and community welfare	13,822,549	11,822,184	-	-	13,822,549	11,822,184
Parks and recreation	8,804,783	7,374,781	-	-	8,804,783	7,374,781
Economic development	14,901,805	10,196,358	-	-	14,901,805	10,196,358
Interest on long-term debt	916,828	298,874	-	-	916,828	298,874
Golf enterprise	-	-	3,056,111	2,657,197	3,056,111	2,657,197
Sewer user	-	-	17,984,422	16,257,863	17,984,422	16,257,863
Stormwater utility	-	-	4,595,816	3,390,120	4,595,816	3,390,120
Memorial airport	-	-	4,108,525	4,146,880	4,108,525	4,146,880
Street repair	-	-	-	37,514	-	37,514
Honor Farm	-	-	99,772	141,688	99,772	141,688
Transportation Services	-	-	6,689,324	6,475,123	6,689,324	6,475,123
Parking Facilities	-	-	631,687	748,892	631,687	748,892
Memorial Hall	-	-	2,327,630	1,640,714	2,327,630	1,640,714
Pueblo Transit	-	-	2,931,527	2,341,395	2,931,527	2,341,395
Total expenses	<u>149,531,060</u>	<u>101,935,356</u>	<u>42,424,814</u>	<u>37,837,386</u>	<u>191,955,874</u>	<u>139,772,742</u>
Increase in net position before transfers	24,578,951	57,119,502	15,309,229	11,295,971	39,888,180	68,415,473
Transfers out, net	<u>(3,329,316)</u>	<u>(2,850,021)</u>	<u>3,329,316</u>	<u>2,850,021</u>	<u>-</u>	<u>-</u>
Increase in net position	21,249,635	54,269,481	18,638,545	14,145,992	39,888,180	68,415,473
Net position beginning of year	550,681,755	496,412,274	263,261,142	249,115,150	813,942,897	745,527,424
Net position end of year	<u>\$ 571,931,390</u>	<u>\$ 550,681,755</u>	<u>\$ 281,899,687</u>	<u>\$ 263,261,142</u>	<u>\$ 853,831,077</u>	<u>\$ 813,942,897</u>

Governmental activities increased the City's net position by \$21.2 million, accounting for 53.3% of the City's \$39.9 million overall increase in net position. Key elements of the increase are as follows:

Property tax and sales and use taxes totaled 64.0% of all governmental activities' revenues. Property taxes decreased \$277 thousand in 2023, and sales and use taxes decreased by \$1.1 million. Operating grants and contributions increased by \$8.6 million in 2023, while capital grants and contributions decreased by \$984 thousand. These increases and decreases occurred largely due to the fluctuations with capital grant funded projects ending and some operating grant funded projects beginning in 2023.

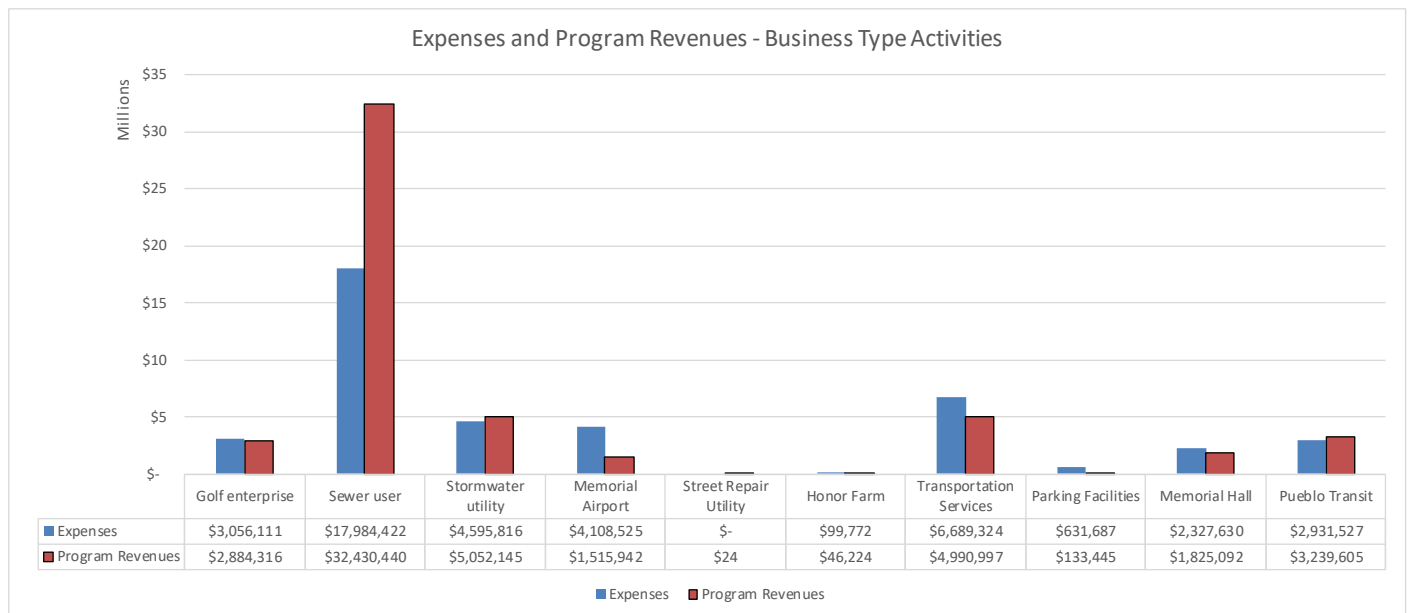
Total expenses increased by approximately \$47.6 million. This increase is largely due to the increase in Pension and OPEB liabilities and personnel costs, as discussed earlier. Increased Economic Development activity continues to be a factor in 2023.



Business-type activities increased the City's net position by \$18.6 million, accounting for 46.7% of the City's \$39.9 million overall increase in net position. Key elements of the increase are as follows:

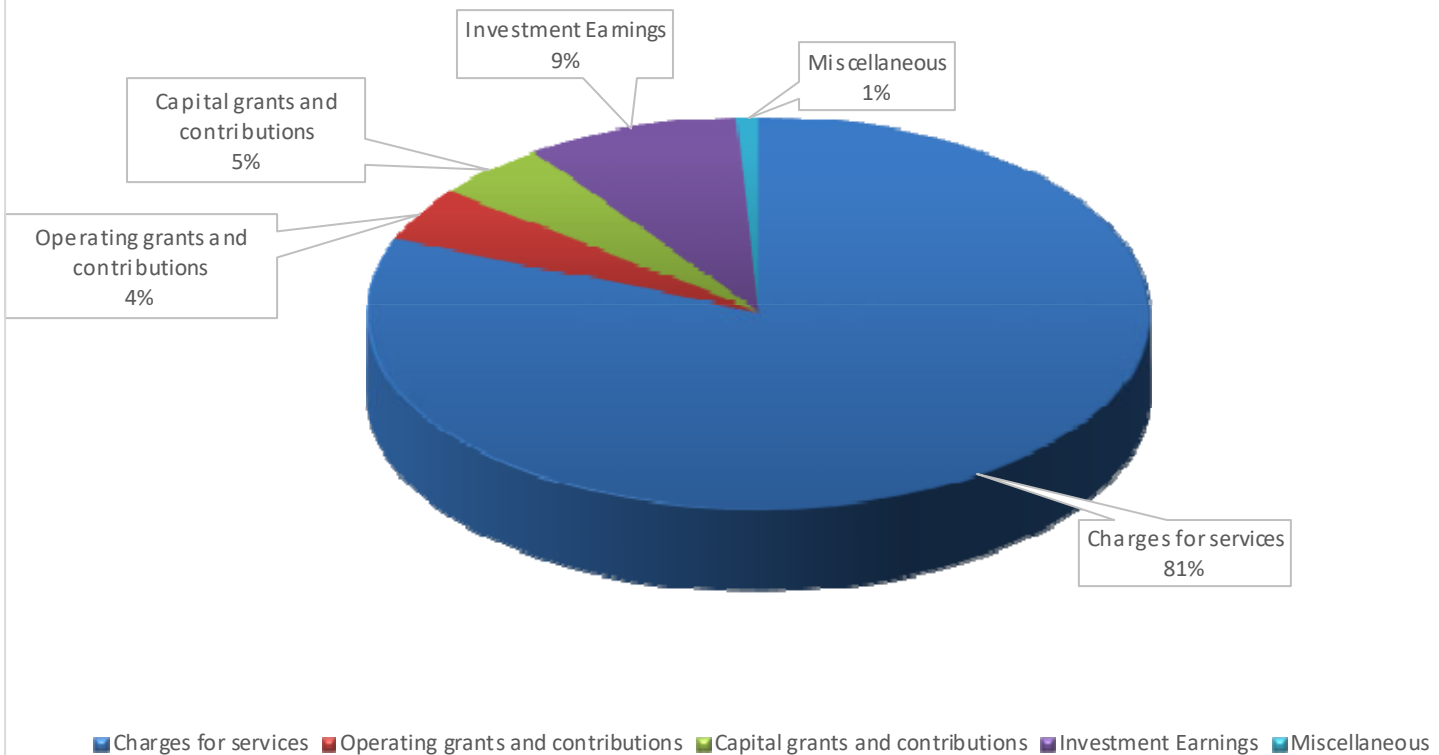
Total revenues were \$57.7 million, \$8.6 million greater than in 2022. Some of the notable changes include Capital grants and contributions increased by \$1.8 million, while charges for services saw an increase of \$2.5 million. The increase in charges for services is largely due to an approved increase in Sewer user Fees in 2019 that is prorated by year and is scheduled to continue until 2024. The increase in Capital Grants and contributions is due to increased funding received by Transportation services by the Federal Transit Administration.

Total business-type expenses were \$42.4 million in 2023, an increase of \$4.6 million as compared to the prior year. This increase is due to increased expenses in the Sewer User and Stormwater utilities. The Sewer User fund saw an increase of \$1.7 million and the Stormwater Utility saw an increase of \$1.2 million during 2023. These increases are due to increased Personnel services including the Pension costs discussed previously.



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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, 2023, the total Governmental fund balances were \$253.5 million, an increase of \$31.3 million from the prior year. Approximately 71.7% or \$181.7 million of the total fund balance are funds that are restricted for particular purposes which includes \$5.0 million for the TABOR emergency reserve. 100% of the \$111.8 million in the Economic Development Fund is restricted due to voter constraints. The City Council committed \$12.7 million of fund balance as a minimum reserve for unanticipated emergencies. The General Fund unassigned fund balance was \$17.6 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, 2023, the total fund balance was \$56.5 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 \$12.7 million and the fund balance assigned intended for specific purposes was \$18.4 million. The committed fund balance is a City Council designated reserve of 10% of total General Fund revenues. This reserve is designated each year during the budget process to ensure that there are sufficient reserves to ensure adequate services and support to the community. The assigned fund balance is made up of subsequent years' expenditures and sales and use tax receivables. During the 2024 budget process, \$10.7 million of fund balance was assigned to cover 2024 expenditures. This assignment was necessary due to a \$12.4 million budgeted transfer to the Capital Improvement Fund. This transfer was the result of excess revenue during 2021, that the voters have allowed the City to retain and invest. There was \$17.6 million of unassigned fund balance as of December 31, 2023. The General Fund decreased by \$9.5 million in 2023. This decrease is largely due to increases in expenses and decreases in primary sources of revenue in 2023. During 2023, the City saw a decrease of both Property Tax and Sales and miscellaneous tax revenue. Inflation and slow recovery post-pandemic played a part in the decreases. In addition, increases in General fund expense due to rising personnel and operating costs played a part in the decrease overall.

Total General Fund revenues, including transfers in of \$4.1 million, increased by \$1.1 million or 0.96%. Property Taxes decreased \$277 thousand, Sales and Miscellaneous Taxes decreased by \$534 thousand, while Intergovernmental Charges decreased by \$233 thousand and Charges for services decreased by \$1.6 million. The decrease in charges for service was largely due to a decrease in some public safety billings and some decreases in revenue from the Pueblo Ice Arena. During 2023, the City entered into an agreement with the Pueblo Bulls for the management of the Ice Arena.

Total General Fund expenditures, including transfers out of \$33.7 million, increased by \$23.4 million or 22.6%. This increase was due to a \$25.5 million transfer to the Capital Improvement fund to fund street repairs and Capital Improvement projects.

The Economic Development Fund is a major fund of the City. As of December 31, 2023, the total fund balance was \$111.8 million and increased by \$1.8 million from 2022. Total revenue increased by \$3.9 million from the previous year. This increase is due to the investment earnings that were discussed previously in this document. Total expenditures increased by \$4.7 million from the prior year. During 2023, there was increased economic development activity including construction work on several shell buildings being completed for future economic development commitments.

The HUD Grants Fund is another major fund of the City. As of December 31, 2023, the total fund balance was \$1.3 million and decreased by \$1.9 million from 2022. This decrease is due to increased activity on HUD grants. During 2023, HUD fund funded many ADA curb ramps and other infrastructure improvements in qualified areas of the City.

The Public Improvements Fund, as of December 31, 2023, had a total fund balance of \$25.7 million, which increased by \$5.9 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 2023, expenditures increased by \$25.9 million from the previous year. The fund activity included revenue and transfers in of \$42.7 million, an increase of \$22.1 million from 2022. This increase is largely due to a transfer from the General Fund that was discussed previously in this document. Current year expenditures and transfers out totaled \$36.8 million.

Proprietary Funds

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

The Sewer User Fund's Operating revenues increased by \$1.4 million in 2023 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 \$226 thousand increase in operating revenues in 2023.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. The final budget appropriations were \$3.5 million higher than the original budget appropriations. The General Fund required additional funding for the following projects during 2023 - \$75,000 for Abriendo Parkway Tree Maintenance, \$55,000 for Dillon Flyover Bridge Art Project, \$1,200,313 for the Enlargement of the HARP Project, \$1,200,00 for Demolition of Unsafe Structures, \$250,000 for Fountain Creek Trail Repairs, \$150,000 Evaluation for Evaluation of Landfill Operations, \$120,000 for Law Department Professional Services, \$10,000 for Electric Vehicle Readiness Plan, \$175,000 for Mayoral Runoff Election, \$135,000 for Fire Department Computer Equipment and \$170,000 for land procurement and design of the 3 new Fire stations.

Final budget compared to actual. Total revenues were \$262 thousand more than estimated. Tax revenue was approximately \$2.1 million less than estimated. Licenses and Permit, Intergovernmental, Charges for services, Fines and forfeits and other revenue were \$2.4 million more than estimated.

The variance between actual expenditures and the final budget was \$10.7 million in unspent appropriations. The decreased expenditures were primarily due to a large number of personnel vacancies across all departments as recruiting and maintaining employees post COVID-19 pandemic remained challenging for all industries.

The 2023 adopted General Fund budget projected that \$16.9 million in reserves would be needed to balance the 2023 budget. After additional appropriations were made during the year the final projected use of reserves was estimated to be \$20.3 million. At the end of 2023, the General Fund ended up with the use of reserves in the amount of \$9.3 million. This use of reserves is \$10.9 million less than was projected. As discussed earlier, this decrease is largely due to personnel vacancies.

On a comparative basis with the 2023 Adopted Budget, ending fund balance, was projected to be approximately \$38.0 million with a fund balance available for future appropriation of \$18.4 million. The most indicative metric for the improvement of the 2023 results compared to 2022, 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 73.5% of all general taxes. On a comparative basis to 2022, sales and use tax revenue improved from 2021, by 4.0%. For 2023, compared to 2022, sales and use tax revenues decreased by 1.2%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City of Pueblo's investment in capital assets for its governmental and business-type activities at December 31, 2023, net of accumulated depreciation, totaled \$567.5 million, a \$9.7 million increase from 2022.

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2023	2022	2023	2022	2023	2022
Land and nondepreciable assets	\$ 104,876,254	\$ 102,612,511	\$ 4,565,319	\$ 4,559,998	\$ 109,441,573	\$ 107,172,509
Land improvements	57,805,543	56,555,052	64,635,803	64,635,803	122,441,346	121,190,855
Infrastructure	207,578,544	204,070,728	112,155,984	112,155,984	319,734,528	316,226,712
Buildings	80,747,279	80,176,063	92,625,853	92,383,738	173,373,132	172,559,801
Machinery and equipment	57,532,157	51,497,744	26,591,063	24,844,672	84,123,220	76,342,416
Right-to-use assets - SBITA	3,486,644	-	-	-	3,486,644	-
Other improvements	-	-	26,398,937	26,398,937	26,398,937	26,398,937
Construction in progress	11,132,123	3,990,616	1,498,695	470,969	12,630,818	4,461,585
Accumulated depreciation and amortization	(158,725,617)	(147,328,676)	(125,356,386)	(119,216,119)	(284,082,003)	(266,544,795)
	<u>\$ 364,432,927</u>	<u>\$ 351,574,038</u>	<u>\$ 203,115,268</u>	<u>\$ 206,233,982</u>	<u>\$ 567,548,195</u>	<u>\$ 557,808,020</u>

Major changes to capital assets during the 2023 fiscal year included the following:

Governmental Activities:

Additions to buildings and buildings held for resale:

Purchase of building at 718 W 4th Street \$57,648

Purchase of building at 175 S Sante Fe Avenue \$25,927
Purchase of building at 131 S Mechanic Street \$473,163
Additions to Infrastructure:
Infrastructure Improvements \$3.5million
Additions to construction in progress in the governmental activities include:
Various small projects totaling \$8.7million
Less: Capitalization of Building Additions (\$14,478)
Capitalization of Infrastructure Improvements (\$788,049)
Capitalization of Machinery & Equipment Improvements (\$639,855)

Business-type Activities:

Additions to building and building improvements:
Transit Center Building Addition \$242,115
Additions to construction in progress in the business-type activities include:
Various small projects totaling \$1,096,425
Less: Capitalization of Transit Vehicle \$68,700

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, 2023, the City had total debt outstanding of \$128.6 million, an increase of \$73.2 million over 2022.

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2023	2022	2023	2022	2023	2022
Compensated absences	5,932,371	5,186,898	761,868	683,566	6,694,239	5,870,464
Notes payable	-	-	19,153,052	21,525,344	19,153,052	21,525,344
Financed purchases	88,142	667,636	-	182,413	88,142	850,049
Accrued interest payable	53,521	29,973	220,924	260,475	274,445	290,448
Claims and Judgments	1,948,438	1,845,538	-	-	1,948,438	1,845,538
Certificates of participation	35,557,687	3,395,845	-	-	35,557,687	3,395,845
SBITA obligations	669,122	-	-	-	669,122	-
Net pension liability	45,790,599	12,350,226	8,370,540	-	54,161,139	12,350,226
Net OPEB liability	9,501,068	8,705,392	547,170	609,264	10,048,238	9,314,656
Total	\$ 99,540,948	\$ 32,181,508	\$ 29,053,554	\$ 23,261,062	\$ 128,594,502	\$ 55,442,570

The City acquired new debt during the year 2023 in the form of Certificates of Participation to build 3 new fire stations. This debt accounted for \$35.1 million of the increase in Certificates of Participation during 2023. All remaining debt balances decreased during the year due to normal payments on obligations. There was also a significant increase to Pension and OPEB liabilities that was discussed earlier in this document. 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 2024 budget. The 2024 budget was prepared while the City of Pueblo was still feeling the effects of transformational changes that were occurring in the City of Pueblo. The budget was prepared to represent and reflect those changes in the City of Pueblo. For the second time in the history of the City of Pueblo, the budget exceeded \$130 million. The City's sales tax collection was starting to decline from prior years where unprecedented economic activity had occurred. In addition, in November of 2021, the voters passed a ballot measure that would allow the City to retain excess TABOR revenues. The budget was prepared with the commitment to provide quality services to the community in the most cost-effective manner while maintaining the City's long-term financial viability.

Sales and use tax revenues continue to be the principal source of income for the City's operating and capital budgets. However, the previously mentioned decline required the city to budget for a modest 1.9% increase over the prior year. Estimated property tax revenue was projected to increase 13.3% over the estimated actual amount for 2022. This increase was due to an increase in valuation. Property taxes were estimated based on property valuations provided by the Pueblo County Assessor's Office.

The 2024 General Fund appropriation for expenditures (excluding transfers-out) is \$8.5 million more than the 2023 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, 2023

	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	\$ 7,257,418	\$ 511,880	\$ 7,769,298	\$ 4,158,060	\$ -
Restricted cash and cash equivalents	6,148,571	-	6,148,571	17,147,423	-
Investments	171,773,819	107,258,432	279,032,251	-	-
Restricted investments	34,507,808	-	34,507,808	12,795,020	-
Receivables, net	91,164,096	7,565,470	98,729,566	10,415,208	-
Internal balances	16,756,689	(16,756,689)	-	-	-
Due from other governmental agencies	12,750,845	4,228,898	16,979,743	-	-
Inventories	298,725	962,589	1,261,314	-	-
Property held for resale	422,413	-	422,413	-	-
Prepaid expenses	4,032,151	55,397	4,087,548	165,111	-
Unspent debt proceeds held by trustee	-	3,637,648	3,637,648	-	-
Capital assets					
Land, improvements, intangibles, and construction in progress	116,008,377	6,064,014	122,072,391	1,574,744	529,620
Other capital assets, net of accum. depreciation	247,685,595	197,051,254	444,736,849	43,527,891	2,746,040
SBITA assets, net of accum. amortization	738,955	-	738,955	12,149	-
Total capital assets	364,432,927	203,115,268	567,548,195	45,114,784	3,275,660
Total assets	709,545,462	310,578,893	1,020,124,355	89,795,606	3,275,660
Deferred outflows of resources					
Deferred amounts on refunding	-	-	-	1,056,745	-
Pension-related	38,367,375	4,524,552	42,891,927	470,188	-
OPEB-related	529,231	129,231	658,462	31,131	-
Total deferred outflows of resources	38,896,606	4,653,783	43,550,389	1,558,064	-
Liabilities					
Accounts payable and accrued expenses	16,836,423	3,143,638	19,980,061	952,547	-
Unearned revenue	20,434,334	390,673	20,825,007	14,253,359	-
Long-term liabilities					
Due within one year	4,659,658	2,666,156	7,325,814	3,538,410	2,237,695
Due in more than one year	94,881,290	26,387,398	121,268,688	132,280,526	122,037
Total liabilities	136,811,705	32,587,865	169,399,570	151,024,842	2,359,732
Deferred inflows of resources					
Property taxes	21,153,456	-	21,153,456	9,333,354	-
Notes and loans	4,581,549	-	4,581,549	-	-
Pension-related	875,267	206,896	1,082,163	4,052	-
OPEB-related	10,184,441	224,995	10,409,436	18,839	-
Lease-related	2,904,260	313,233	3,217,493	8,612	-
Total deferred inflows of resources	39,698,973	745,124	40,444,097	9,364,857	-
Net position					
Net investment in capital assets	361,586,950	187,071,710	548,658,660	22,121,598	1,651,416
Restricted for					
Tabor	4,974,493	-	4,974,493	-	-
Economic development	111,834,888	-	111,834,888	-	-
District projects	-	-	-	318,340	-
Capital projects	40,449,651	-	40,449,651	-	-
Public safety	7,456,783	-	7,456,783	-	-
Public works	12,807,862	-	12,807,862	-	-
Parks and recreation	2,170,500	-	2,170,500	-	-
Culture and community welfare	2,015,815	-	2,015,815	-	-
Unrestricted	28,634,448	94,827,977	123,462,425	(91,475,967)	(735,488)
Total net position	\$ 571,931,390	\$ 281,899,687	\$ 853,831,077	\$ (69,036,029)	\$ 915,928

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

City of Pueblo, Colorado
Statement of Activities
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 36,794,015	\$ 4,883,283	\$ 170,167	\$ -
Public safety	61,714,760	6,371,700	695,086	151,917
Public works	12,576,320	2,803,577	4,876,534	3,225,758
Culture and community welfare	13,822,549	130,928	5,839,017	-
Parks and recreation	8,804,783	798,153	-	1,722,789
Economic development	14,901,805	10,001	10,772,438	1,028,077
Interest on long-term debt	916,828	-	-	-
Total governmental activities	149,531,060	14,997,642	22,353,242	6,128,541
Business-type activities				
Golf enterprise	3,056,111	2,884,316	-	-
Sewer user	17,984,422	32,430,440	-	-
Stormwater utility	4,595,816	5,052,145	-	-
Memorial airport	4,108,525	643,899	872,043	-
Street repair	-	-	24	-
Honor farm	99,772	46,224	-	-
Transportation services	6,689,324	515,210	1,738,834	2,736,953
Parking facilities	631,687	133,445	-	-
Memorial Hall	2,327,630	1,825,092	-	-
Pueblo Transit	2,931,527	3,239,605	-	-
Total business-type activities	42,424,814	46,770,376	2,610,901	2,736,953
Total primary government	\$ 191,955,874	\$ 61,768,018	\$ 24,964,143	\$ 8,865,494
Component Units				
Pueblo Urban Renewal Authority	\$ 22,298,329	\$ 3,333,054	\$ 239,961	\$ 126,100
Pueblo Municipal Rail Corporation	159,724	-	-	-
Total component units	\$ 22,458,053	\$ 3,333,054	\$ 239,961	\$ 126,100
General revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for specific purposes				
Franchise and other taxes				
Sales and use taxes				
Payment in lieu of taxes				
Unrestricted investment earnings				
Gain/(loss) on asset exchange				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, January 1				
Net position, December 31				

Net (Expense) Revenue and Change in Net Position			Discretely-Presented Component Units	
Governmental Activities	Business-Type Activities	Total	Pueblo Urban Renewal Authority	Pueblo Municipal Rail Corporation
\$ (31,740,565)	\$ -	\$ (31,740,565)		
(54,496,057)	-	(54,496,057)		
(1,670,451)	-	(1,670,451)		
(7,852,604)	-	(7,852,604)		
(6,283,841)	-	(6,283,841)		
(3,091,289)	-	(3,091,289)		
(916,828)	-	(916,828)		
(106,051,635)	-	(106,051,635)		
-	(171,795)	(171,795)		
-	14,446,018	14,446,018		
-	456,329	456,329		
-	(2,592,583)	(2,592,583)		
-	24	24		
-	(53,548)	(53,548)		
-	(1,698,327)	(1,698,327)		
-	(498,242)	(498,242)		
-	(502,538)	(502,538)		
-	308,078	308,078		
-	9,693,416	9,693,416		
(106,051,635)	9,693,416	(96,358,219)		
			\$ (18,599,214)	\$ -
			-	(159,724)
			\$ (18,599,214)	\$ (159,724)
18,573,666	-	18,573,666	9,032	-
71,586	-	71,586	6,585,107	-
8,597,485	-	8,597,485	-	-
92,703,796	-	92,703,796	3,920,619	-
9,859	-	9,859	-	-
9,473,066	5,101,042	14,574,108	772,184	-
58,394	27,677	86,071	(24,238)	-
1,142,734	487,094	1,629,828	176	344,556
(3,329,316)	3,329,316	-	-	-
127,301,270	8,945,129	136,246,399	11,262,880	344,556
21,249,635	18,638,545	39,888,180	(7,336,334)	184,832
550,681,755	263,261,142	813,942,897	(61,699,695)	731,096
\$ 571,931,390	\$ 281,899,687	\$ 853,831,077	\$ (69,036,029)	\$ 915,928

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

City of Pueblo, Colorado
Balance Sheet
Governmental Funds
December 31, 2023

		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	\$ 7,257,218	\$ -	\$ -	\$ -	\$ -	\$ 7,257,218
Restricted cash and cash equivalents	-	100,000	-	13,124	377,957	491,081
Investments	57,117,908	66,638,669	-	28,217,723	19,799,519	171,773,819
Restricted investments	-	-	-	-	34,507,808	34,507,808
Taxes receivable, net	28,741,273	1,166,463	-	-	91,674	29,999,410
Due from other funds	22,537,464	394,093	828,824	18,700,340	4,155,041	46,615,762
Receivable from other governments	-	-	8,970,685	3,756,076	24,084	12,750,845
Notes and loans receivable, net	-	47,287,509	4,038,126	-	-	51,325,635
Advance to other funds	1,879,476	-	-	747,000	-	2,626,476
Leases receivable	196,437	2,846,857	-	-	-	3,043,294
Other receivables	4,119,756	171,594	299,959	-	1,192,762	5,784,071
Inventories	35,799	-	-	-	-	35,799
Property held for resale	-	-	116,968	-	305,445	422,413
Prepaid items	821,713	-	-	2,948,703	12,546	3,782,962
Total assets	\$ 122,707,044	\$ 118,605,185	\$ 14,254,562	\$ 54,382,966	\$ 60,466,836	\$ 370,416,593
Liabilities						
Accounts payable and accrued liabilities	\$ 3,463,013	\$ 4,007,240	\$ 364,108	\$ 5,433,653	\$ 1,994,362	\$ 15,262,376
Due to other funds	36,599,967	-	3,431,924	106,607	128,224	40,266,722
Unearned revenue	-	-	-	20,434,334	-	20,434,334
Total liabilities	40,062,980	4,007,240	3,796,032	25,974,594	2,122,586	75,963,432
 Deferred inflows of resources	 26,182,767	 2,763,057	 9,206,843	 2,672,433	 91,674	 40,916,774
Fund balances						
Nonspendable	2,736,988	-	-	2,948,703	12,546	5,698,237
Restricted	4,974,493	111,834,888	1,251,687	5,772,299	57,876,625	181,709,992
Committed	12,718,539	-	-	104,831	-	12,823,370
Assigned	18,400,970	-	-	16,910,106	363,405	35,674,481
Unassigned	17,630,307	-	-	-	-	17,630,307
Total fund balances	56,461,297	111,834,888	1,251,687	25,735,939	58,252,576	253,536,387
 Total liabilities, deferred inflows of resources, and fund balances	 \$ 122,707,044	 \$ 118,605,185	 \$ 14,254,562	 \$ 54,382,966	 \$ 60,466,836	 \$ 370,416,593

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, 2023

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

Fund balances of governmental funds	\$ 253,536,387
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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	\$ 521,041,125	
Less: accumulated depreciation and amortization	<u>(157,383,976)</u>	363,657,149

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	\$ (45,074,368)	
Deferred outflows of resources relating to pensions	37,980,229	
Deferred inflows of resources relating to pensions	<u>(857,564)</u>	(7,951,703)

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	\$ (9,454,519)	
Deferred outflows of resources relating to OPEB	518,237	
Deferred inflows of resources relating to OPEB	<u>(10,165,300)</u>	(19,101,582)

Internal service funds are collapsed into governmental activities:

Net position of internal service funds	8,186,075	
Net position attributed to business-type activities	<u>3,558,128</u>	11,744,203

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	\$ (32,485,709)	
Unamortized premiums	(3,071,978)	
Obligation under SBITAs	(669,122)	
Financed purchases payable	(88,142)	
Compensated absences payable	(5,862,101)	
Accrued interest payable	<u>(53,521)</u>	(42,230,573)

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

Other deferred inflows of resources (unavailable revenue)	12,277,509
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Total net position of governmental activities	\$ 571,931,390
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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, 2023

		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	\$ 18,573,666	\$ -	\$ -	\$ -	\$ 71,586	\$ 18,645,252
Sales and miscellaneous taxes	81,218,006	12,026,152	-	-	8,057,123	101,301,281
Payment in lieu of taxes	9,859	-	-	-	-	9,859
Fees and fines	1,270,845	-	-	-	-	1,270,845
Licenses and permits	1,021,934	-	-	-	-	1,021,934
Intergovernmental	3,098,943	-	1,132,704	14,257,917	6,169,950	24,659,514
Charges for services	4,820,086	704,890	-	-	3,361,072	8,886,048
Investment earnings	3,132,885	3,725,427	-	1,481,328	997,847	9,337,487
Opioid settlement funds	-	-	-	-	78,115	78,115
Other revenues	326,046	376,000	19,444	234,742	140,843	1,097,075
Total revenues	113,472,270	16,832,469	1,152,148	15,973,987	18,876,536	166,307,410
Expenditures						
Current						
General government	15,189,728	-	-	20,616,659	-	35,806,387
Public safety	53,809,999	-	-	722,571	4,422,188	58,954,758
Public works	7,939,974	-	-	384,593	1,769,449	10,094,016
Parks and recreation	7,432,666	-	-	-	555,341	7,988,007
Economic development	-	14,844,451	-	-	-	14,844,451
Culture and community welfare	7,566,832	-	1,451,067	1,030,458	3,037,007	13,085,364
Debt service						
Principal	619,222	-	-	-	3,501,581	4,120,803
Interest and other charges	6,686	-	-	-	706,211	712,897
Capital outlay	878,155	-	1,228,973	13,617,826	3,984,784	19,709,738
Total expenditures	93,443,262	14,844,451	2,680,040	36,372,107	17,976,561	165,316,421
Excess (deficiency) of revenues over expenditures	20,029,008	1,988,018	(1,527,892)	(20,398,120)	899,975	990,989
Other financing sources (uses)						
Disposal of assets	77,283	-	-	-	-	77,283
Proceeds from SBITAS	79,588	-	-	-	-	79,588
Issuance of debt	-	-	-	-	32,020,000	32,020,000
Premium on issued debt	-	-	-	-	3,071,978	3,071,978
Transfers in	4,065,123	-	-	26,732,502	3,717,735	34,515,360
Transfers out	(33,742,132)	(200,000)	(377,628)	(477,675)	(4,147,241)	(38,944,676)
Total other financing sources (uses)	(29,520,138)	(200,000)	(377,628)	26,254,827	34,662,472	30,819,533
Net change in fund balance	(9,491,130)	1,788,018	(1,905,520)	5,856,707	35,562,447	31,810,522
Fund balances at beginning of year	65,952,427	110,046,870	3,157,207	19,879,232	22,690,129	221,725,865
Fund balances at end of year	\$ 56,461,297	\$ 111,834,888	\$ 1,251,687	\$ 25,735,939	\$ 58,252,576	\$ 253,536,387

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, 2023

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

Total change in fund balances - governmental funds	\$ 31,810,522
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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	\$ 19,709,738	
Depreciation and amortization expense	(9,755,885)	
Net book value of capital asset disposals	(19,889)	9,933,964

In the statement of activities, donations of capital assets are reported as program revenues. However, these do not represent a current financial resource, so are not reported in the funds.	1,233,154
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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. A portion of the change in net position in the internal service fund is included with governmental activities in the statement of activities.

Change in net position of internal service funds	\$ 926,439	
Net operating loss attributed to business-type activities	(168,981)	757,458

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.	2,129,296
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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.	594,848
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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	\$ 2,930,136	
Principal payments on financed purchases	579,494	
Principal payments on SBITA obligations	956,246	
Issuance of certificates of participation	(35,091,978)	
Proceeds from SBITAs	(79,588)	
Change in accrued interest	(9,911)	
Change in deferred amounts on refunding	(194,020)	
Change in compensated absences payable	(812,035)	(31,721,656)

Certain revenue was earned and accrued in the statement of net position, but has been deferred in the governmental funds balance sheet.	6,512,049
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Change in net position of governmental activities	\$ 21,249,635
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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, 2023

	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	\$ 510,705	\$ 511,880	\$ 200
Restricted cash and cash equivalents	-	-	-	-	-	-	5,657,490
Investments	-	84,780,805	22,375,257	102,370	-	107,258,432	-
Accounts receivable, net	95,333	5,555,840	918,364	86,263	382,422	7,038,222	1,011,686
Leases receivable	90,083	-	-	-	238,882	328,965	-
Due from other funds	628,436	400,862	95,867	2,093,265	3,153,990	6,372,420	6,149,248
Due from other governments	-	-	-	-	4,228,898	4,228,898	-
Other receivables	30	155,863	41,126	188	1,076	198,283	-
Prepaid expenses	-	11,552	6,988	2,755	34,102	55,397	249,189
Inventories	-	611,072	-	-	351,517	962,589	262,926
Unspent debt proceeds held by trustee	-	-	3,637,648	-	-	3,637,648	-
Total current assets	813,882	91,516,669	27,075,350	2,285,241	8,901,592	130,592,734	13,330,739
Noncurrent assets							
Capital assets							
Land	56,086	185,461	659,873	56,889	3,453,085	4,411,394	-
Land improvements Infrastructure	4,717,523	27,690	8,646,234	49,002,985	2,241,371	64,635,803	-
Infrastructure	-	55,709,275	55,720,253	719,671	6,785	112,155,984	-
Other improvements	4,172,816	-	-	22,016,104	210,017	26,398,937	-
Buildings	1,689,412	59,501,249	-	13,151,407	18,283,785	92,625,853	1,036,366
Machinery and equipment	2,687,478	7,312,507	3,594,678	2,994,228	10,002,172	26,591,063	1,019,747
Less accumulated depreciation	(9,292,098)	(36,781,273)	(19,671,385)	(44,957,455)	(14,654,175)	(125,356,386)	(1,341,644)
Artworks	44,370	-	-	3,912	8,823	57,105	-
Intangibles	-	28,628	61,393	-	6,799	96,820	-
Construction in progress	104,455	627,631	483,430	-	283,179	1,498,695	61,309
Total capital assets	4,180,042	86,611,168	49,494,476	42,987,741	19,841,841	203,115,268	775,778
Total noncurrent assets	4,180,042	86,611,168	49,494,476	42,987,741	19,841,841	203,115,268	775,778
Total assets	4,993,924	178,127,837	76,569,826	45,272,982	28,743,433	333,708,002	14,106,517
Deferred outflows of resources							
OPEB-related	1,404	59,575	20,049	12,907	724	94,659	45,566
Pension-related	49,484	2,097,882	706,012	454,515	25,463	3,333,356	1,578,342
Total deferred outflows of resources	50,888	2,157,457	726,061	467,422	26,187	3,428,015	1,623,908
Liabilities							
Current liabilities							
Accounts payable	116,046	2,056,382	323,380	82,486	402,580	2,980,874	1,574,047
Accrued expenses	-	-	-	-	162,764	162,764	-
Accrued interest payable	-	165,738	55,186	-	-	220,924	-
Due to other funds	1,148,507	-	8,460,083	-	8,574,932	18,183,522	687,186
Unearned revenue	36,530	-	-	-	354,143	390,673	-
Compensated absences	-	26,360	10,003	15,443	24,381	76,187	7,027
Claims and judgments	-	-	-	-	-	-	1,656,172
Notes payable	-	2,055,062	313,983	-	-	2,369,045	-
Total current liabilities	1,301,083	4,303,542	9,162,635	97,929	9,518,800	24,383,989	3,924,432
Noncurrent liabilities							
Compensated absences	-	237,235	90,025	138,990	219,431	685,681	63,243
Claims and judgments	-	-	-	-	-	-	292,266
Notes payable, net	-	11,549,066	5,234,941	-	-	16,784,007	-
Advance from other funds	1,879,476	-	-	-	747,000	2,626,476	-
Net OPEB liability	5,950	252,241	84,888	54,649	3,062	400,790	192,929
Net pension liability	91,547	3,881,136	1,306,141	840,864	47,108	6,166,796	2,919,975
Total noncurrent liabilities	1,976,973	15,919,678	6,715,995	1,034,503	1,016,601	26,663,750	3,468,413
Total liabilities	3,278,056	20,223,220	15,878,630	1,132,432	10,535,401	51,047,739	7,392,845
Deferred inflows of resources							
OPEB-related	2,446	103,721	34,906	22,472	1,259	164,804	79,332
Pension-related	2,263	95,931	32,284	20,784	1,164	152,426	72,173
Leases	78,343	-	-	-	234,890	313,233	-
Total deferred inflows of resources	83,052	199,652	67,190	43,256	237,313	630,463	151,505
Net position							
Net investment in capital assets	4,180,042	72,507,282	47,583,200	42,987,741	19,813,445	187,071,710	775,778
Unrestricted	(2,496,338)	87,355,140	13,766,867	1,576,975	(1,816,539)	98,386,105	7,410,297
Total net position	\$ 1,683,704	\$ 159,862,422	\$ 61,350,067	\$ 44,564,716	\$ 17,996,906	\$ 285,457,815	\$ 8,186,075

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

(3,558,128)

Net position of business-type activities

\$ 281,899,687

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, 2023

	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	\$ 2,884,316	\$ 32,430,440	\$ 5,052,145	\$ 643,899	\$ 2,519,971	\$ 43,530,771	\$ 21,415,482
Other revenues	13,338	60,345	67,370	6,135	342,254	489,442	1,449,661
Total operating revenues	2,897,654	32,490,785	5,119,515	650,034	2,862,225	44,020,213	22,865,143
Operating expenses							
Personnel services	92,433	4,919,053	1,930,295	1,207,895	55,149	8,204,825	3,827,908
Contractual services	1,102,769	2,127,220	707,506	230,976	6,653,566	10,822,037	29,628
Utilities	539,601	1,022,820	124,030	428,252	780,301	2,895,004	79,345
Repairs and maintenance	379,124	6,654,132	712,037	137,686	422,588	8,305,567	79,600
Other supplies and expenses	406,483	764,599	78,004	300,988	781,653	2,331,727	1,992,857
Insurance claims expense	-	-	-	-	-	-	16,934,249
Depreciation	444,756	2,168,787	898,829	1,791,681	982,089	6,286,142	95,117
Total operating expenses	2,965,166	17,656,611	4,450,701	4,097,478	9,675,346	38,845,302	23,038,704
Operating income (loss)	(67,512)	14,834,174	668,814	(3,447,444)	(6,813,121)	5,174,911	(173,561)
Nonoperating revenues (expenses)							
Investment earnings	297	3,974,302	1,111,834	11,317	3,292	5,101,042	-
Operating grants and contributions	-	-	-	872,043	1,738,858	2,610,901	-
Interest expense	(90,608)	(290,382)	(126,376)	(1,522)	-	(508,888)	-
Gain on disposal of capital assets	-	-	22,723	-	2,606	25,329	-
Total nonoperating revenues (expenses)	(90,311)	3,683,920	1,008,181	881,838	1,744,756	7,228,384	-
Income (loss) before contributions and transfers	(157,823)	18,518,094	1,676,995	(2,565,606)	(5,068,365)	12,403,295	(173,561)
Capital contributions	-	-	-	-	2,736,953	2,736,953	-
Transfers in	-	-	-	828,966	2,512,350	3,341,316	1,100,000
Transfers out	-	-	(12,000)	-	-	(12,000)	-
Changes in net position	(157,823)	18,518,094	1,664,995	(1,736,640)	180,938	18,469,564	926,439
Net position at beginning of year	1,841,527	141,344,328	59,685,072	46,301,356	17,815,968		7,259,636
Net position at end of year	\$ 1,683,704	\$ 159,862,422	\$ 61,350,067	\$ 44,564,716	\$ 17,996,906		\$ 8,186,075
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise funds						168,981	
Change in net position						\$ 18,638,545	

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, 2023

	Business-type Activities						Internal Service Fund
	Golf Course Enterprise	Sewer User Fund	Stormwater Utility	Memorial Airport	Nonmajor Enterprise Funds	Total	
Cash flows from operating activities							
Cash received from customers	\$ 2,975,406	\$ 32,019,408	\$ 4,992,500	\$ 950,520	\$ 781,377	\$ 41,719,211	\$ 21,931,864
Cash payments to suppliers	(2,404,680)	(10,861,712)	(1,602,852)	(1,164,221)	(8,577,927)	(24,611,392)	(18,908,806)
Cash payments to employees	(104,525)	(5,385,128)	(1,889,588)	(1,247,708)	(21,846)	(8,648,795)	(4,257,507)
Receipts for interfund services	-	-	-	-	2,467,478	2,467,478	-
(Payments) advances for interfund services	(57,931)	(354,580)	274,397	(560,490)	298,879	(399,725)	(8,774)
Net cash flows from operating activities	408,270	15,417,988	1,774,457	(2,021,899)	(5,052,039)	10,526,777	(1,243,223)
Cash flows from non-capital financing activities							
Transfers in	-	-	(12,000)	828,966	2,512,350	3,329,316	1,100,000
Receipts (payments) from fund advance	-	-	-	-	(84,115)	(84,115)	-
Operating grants and contributions	-	-	-	872,043	1,738,858	2,610,901	-
Net cash flows from non-capital financing activity	-	-	(12,000)	1,701,009	4,167,093	5,856,102	1,100,000
Cash flows from capital and related financing activities							
Proceeds from the sale of capital assets	-	-	29,849	-	2,606	32,455	-
Acquisitions of capital assets	(127,235)	(74,751)	(599,777)	-	(1,844,637)	(2,646,400)	(227,468)
Capital contributions received	-	-	-	-	2,736,953	2,736,953	-
Principal paid on long-term debt	(182,413)	(1,985,666)	(305,109)	-	-	(2,473,188)	-
Interest paid on long-term debt	(98,919)	(390,068)	(139,447)	(1,522)	-	(629,956)	-
Net cash flows from capital and related financing activities	(408,567)	(2,450,485)	(1,014,484)	(1,522)	894,922	(2,980,136)	(227,468)
Cash flows from investing activities							
Interest earnings received	297	3,683,699	1,043,533	12,038	3,292	4,742,859	-
Maturity of investments	-	16,584,733	3,897,943	311,095	-	20,793,771	-
Acquisition of investments	-	(33,235,935)	(5,689,449)	(721)	-	(38,926,105)	-
Net cash flows from investing activities	297	(12,967,503)	(747,973)	322,412	3,292	(13,389,475)	-
Net increase in cash and cash equivalents	-	-	-	-	13,268	13,268	(370,691)
Cash and cash equivalents at beginning of year	-	675	100	400	497,437	498,612	6,028,381
Cash and cash equivalents at end of year	\$ -	\$ 675	\$ 100	\$ 400	\$ 510,705	\$ 511,880	\$ 5,657,690
Reported in the accompanying statement of net position as follows:							
Cash and cash equivalents	\$ -	\$ 675	\$ 100	\$ 400	\$ 510,705	\$ 511,880	\$ 200
Restricted cash and cash equivalents	-	-	-	-	-	-	5,657,490
	\$ -	\$ 675	\$ 100	\$ 400	\$ 510,705	\$ 511,880	\$ 5,657,690
 Operating income (loss)	 \$ (67,512)	 \$ 14,834,174	 \$ 668,814	 \$ (3,447,444)	 \$ (6,813,121)	 \$ 5,174,911	 \$ (173,561)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:							
Depreciation	444,756	2,168,787	898,829	1,791,681	982,089	6,286,142	95,117
(Increase) decrease in operating assets:							
Accounts receivable	29,569	(471,377)	(127,015)	798,201	(2,090,550)	(1,861,172)	(933,279)
Due from other funds	(60,495)	(354,580)	(55,362)	(497,715)	42,281	(925,871)	(8,774)
Prepaid items	-	(11,552)	(2,058)	(2,755)	(6,850)	(23,215)	(18,739)
Inventories	-	(123,649)	-	-	50,446	(73,203)	(23,692)
Increase (decrease) in operating liabilities:							
Accounts payable and accrued expenses	23,297	(142,928)	38,449	(53,857)	52,702	(82,337)	182,742
Due to other funds	2,564	-	329,759	(560,490)	2,724,076	2,495,909	-
Advances from others	89,499	-	-	-	-	89,499	-
Lease related deferred inflows of resources	(41,316)	-	-	-	9,702	(31,614)	-
Net OPEB liability and related deferred inflows and outflows of resources	(1,595)	(63,347)	3,717	(6,321)	(360)	(67,906)	(7,115)
Net pension liability and related deferred inflows and outflows of resources	(10,497)	(417,540)	19,324	(43,199)	(2,454)	(454,366)	(355,922)
Net cash flows from operating activities	\$ 408,270	\$ 15,417,988	\$ 1,774,457	\$ (2,021,899)	\$ (5,052,039)	\$ 10,526,777	\$ (1,243,223)
 Schedule of noncash investing, capital and financing activities							
Capital assets acquired with accounts payable	\$ -	\$ 499,758	\$ -	\$ -	\$ 28,396	\$ 528,154	\$ -
Unrealized gain (loss) on investments	-	290,603	68,301	(721)	-	358,183	-

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, 2023

	Subdivision Infrastructure
Assets	
Cash and cash equivalents	\$ 4,384,830
Total assets	4,384,830
Liabilities	
Accounts payable	11,207
Total liabilities	11,207
Net position	
Restricted for other organizations	4,373,623
Total net position	\$ 4,373,623

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, 2023

	Subdivision Infrastructure
Additions	
Deposits received	\$ 547,446
Total additions	547,446
Deductions	
Deposits released	123,920
Total deductions	123,920
Change in net position	423,526
Net position at beginning of year	3,950,097
Net position at end of year	\$ 4,373,623

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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 financed purchases 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, 2023

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 financed purchases 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, 2023

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 financed purchases, 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 for subdivision infrastructure. Developers of subdivisions are required to deposit funds with the City for potential infrastructure changes. Any necessary infrastructure changes due to the development of the subdivision would be the responsibility of the developer. The contracts require that the developer keep the deposit with the City for a set number of years to determine future impacts and possible infrastructure changes. Once the time period has passed, the deposits are returned to the developer.

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, 2023

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 November 30, 2023, 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, 2023 for the collection period of January 1, 2022 through June 30, 2023 as specified by state law.

The taxes levied on November 30, 2023, reflect 2023 taxes that will be collected in 2024. 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, 2023

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, 2023

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 assets 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 and deferred OPEB outflows are the other items being presented as a deferred outflow of resources; see Note G for the deferred outflows of resources related to pensions and Note H for the deferred outflows of resources related to OPEB plans.

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 assets 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 three 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 and deferred OPEB inflows are other items being presented as a deferred inflow of resources; see Note G for the deferred inflows of resources related to pensions and Note H for the deferred inflows of resources related to OPEB plans. Lease-related deferred inflows of resources are further described in Note F.

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. LEASE RECEIVABLE

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized over the term of the lease.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. 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.

N. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS)

The City determines if an arrangement is a subscription-based information technology arrangement (SBITA) at inception. SBITAs are included in capital assets and SBITA obligations in the statement of net position.

SBITA assets represent the City's control of the right to use an underlying asset for the arrangement term, as specified in the contract, in an exchange or an exchange-like transaction. SBITA assets are recognized at the commencement date based on the initial measurement of the SBITA obligation, plus any payments made to the provider at or before the commencement of the arrangement term and certain direct costs. SBITA assets are amortized in a systematic and rational manner over the shorter of the arrangement term or the useful life of the underlying asset.

SBITA obligations represent the City's obligation to make payments arising from the arrangement. SBITA obligations are recognized at the commencement date based on the present value of expected payments over the arrangement term, less any incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the arrangement when it is reasonably certain that the City will exercise that option.

The City recognizes payments for short-term SBITA contracts with an initial term of 12 months or less as expenses incurred, and these arrangements are not included as SBITA obligations or right-of-use SBITA assets on the statement of net position.

For individual SBITA contracts where information about discount rate implicit in the arrangement is not included, the City has elected to use the incremental borrowing rate to calculate the present value of expected payments.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. 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 Public Employees' Retirement Association Plan (PERA) which is a cost-sharing, multiple-employer defined benefit pension plan administered by PERA. The City also participates in the New Hire Fire and Police Plan, which is a statewide, cost sharing, multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). In addition, the City also participates in the Old Hire Fire Plan and the Old Hire Police Plan that are agent, multiple-employer defined benefit pension plans administered by FPPA.

Public 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. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

New Hire Fire and Police Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the 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.

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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. 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 of Colorado (PERA). The City also participates in the Fire and Police Unit OPEB plans, which are single employer, defined benefit plans, 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.

Q. FUND BALANCES AND NET POSITION

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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. FUND BALANCES AND NET POSITION, Continued

- Unassigned – includes amounts that do not meet any of the above criteria. The City may report positive unassigned fund balance only in the general fund and negative unassigned fund balances may be reported in all funds.

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

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

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

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

R. 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.

S. ESTIMATES

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

T. NEW ACCOUNTING PRONOUNCEMENTS

For 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. These changes were incorporated in the City's 2023 financial statements.

The implementation of GASB Statement No. 96 had no effect on net position as reported December 31, 2022.

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 2023, 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, 2023

III. DETAILED NOTES FOR ALL FUNDS

A. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments are summarized as follows:

Cash on hand	\$ 33,562
Demand deposits	18,269,137
	<u>\$ 18,302,699</u>
Investments –	
U.S. agency securities	\$ 46,079,479
U.S. treasury securities	47,167,392
Corporate Bonds	10,944,312
Money market funds	16,439,999
Local government investment pools (ColoTrust and CSAFE)	192,908,877
	<u>\$ 313,540,059</u>

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Reported in the financial statements as follows:		
Government-wide statement of net position	\$ 13,917,869	\$ 313,540,059
Statement of fiduciary net position	4,384,830	-
	<u>\$ 18,302,699</u>	<u>\$ 313,540,059</u>

DEPOSITS

At December 31, 2023, the carrying amount of the City's deposits was \$18,269,137 and the bank balance was \$20,887,219. Of the bank balance, \$803,307 was covered by federal depository insurance and \$20,083,912 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, 2023, deposits with a bank balance of \$20,083,912 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, 2023

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.

The following shows the various investment types held by the City as of December 31, 2023, as well as the maturities and associated rating:

Investment Type	Credit Risk Rating S&P/Moody's	Investment Maturities (in years)						
		Level 1	Level 2	Level 3	Total	Concentration	Less Than	
							One Year	1 - 5 Years
U.S. agencies	AA+/Aaa	\$ -	\$ 46,079,479	\$ -	\$ 46,079,479	14.7%	\$ 9,289,665	\$ 36,789,814
U.S. treasuries	AA+/Aaa	-	47,167,392	-	47,167,392	15.0%	14,070,168	33,097,224
Corporate bonds	A/A1	-	3,929,960	-	3,929,960	1.3%	1,994,070	1,935,890
Corporate bonds	AA/Aa2	-	938,700	-	938,700	0.3%	-	938,700
Corporate bonds	AAA/Aaa	-	4,125,992	-	4,125,992	1.3%	-	4,125,992
Corporate bonds	A/A2	-	958,760	-	958,760	0.3%	-	958,760
Corporate bonds	A-/A3	-	990,900	-	990,900	0.3%	990,900	-
Money market funds	AAAm/Aaa	16,439,999	-	-	16,439,999	5.2%	16,439,999	-
		<u>\$ 16,439,999</u>	<u>\$104,191,183</u>	<u>\$ -</u>	<u>\$120,631,182</u>		<u>\$ 42,784,802</u>	<u>\$ 77,846,380</u>
<u>Investments measured at net asset value (NAV):</u>								
ColoTrust - General	AAAm/ N/A				98,518,187	31.4%		
<u>Investments measured at amortized cost:</u>								
CSAFE	AAAm/ N/A				94,390,690	30.1%		
					<u>\$313,540,059</u>			

The City has the following recurring fair value measurements as of December 31, 2023:

- US Treasury securities of \$47,167,392 are valued using quoted market prices (Level 2 inputs).
- US Agency securities and Corporate bonds of \$46,079,479 and \$10,944,312, respectively, are valued using a matrix pricing model (Level 2 inputs).

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

A. CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

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. Both methodologies approximate fair value. These investments are not subject to the fair value hierarchy. The investments do not have any unfunded commitments, redemption restrictions or redemption notice periods. ColoTrust portfolio investments are limited to those allowed under C.R.S. 24-75-601.

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.

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	\$ 11,550
Demand deposits	21,293,933
Total cash and cash equivalents	<u>\$ 21,305,483</u>
Investments	
ColoTrust	\$ 7,662,111
U.S. agency securities	3,289,055
Money market funds held at bank trust departments	1,843,854
Total investments	<u>\$ 12,795,020</u>
Reported in the financial statements as follows:	
Cash and cash equivalents	\$ 4,158,060
Restricted cash and cash equivalents under debt obligations	17,147,423
	<u>\$ 21,305,483</u>
Restricted investments	<u>\$ 12,795,020</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

A. CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

DEPOSITS

At December 31, 2023, the carrying amount of the Pueblo Urban Renewal Authority's (the Authority) deposits was \$21,293,933 and the bank balance was \$21,172,259. Of the bank balance, \$750,000 was covered by federal depository insurance and \$20,422,259 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, 2023, deposits with a bank balance of \$20,422,259 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.

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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

A. CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

As of December 31, 2023, 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	\$ -	\$ 3,289,055	\$ -	\$ 3,289,055	25.7%	\$ -	\$ 3,289,055
	<u>\$ -</u>	<u>\$ 3,289,055</u>	<u>\$ -</u>	<u>\$ 3,289,055</u>		<u>\$ -</u>	<u>\$ 3,289,055</u>
<u>Investments measured at net asset value (NAV):</u>							
ColoTrust				7,662,111	59.9%		
Money market funds				<u>1,843,854</u>	14.4%		
				<u>\$ 12,795,020</u>			

The Authority has the following recurring fair value measurements as of December 31, 2023:

- US Agency securities of \$3,289,055 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. Both methodologies approximate fair value. These investments are not subject to the fair value hierarchy. The investments do not have any unfunded commitments, redemption restrictions or redemption notice periods. ColoTrust portfolio investments are limited to those allowed under C.R.S. 24-75-201.

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, 2023, and the associated rating:

	Moody's Rating	S&P Rating
ColoTrust	N/A	AAAm
Money market funds	Aaa	AAAm
US Agency securities	Aaa	AA+

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

B. RECEIVABLES

Receivables at December 31, 2023, 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	\$ 21,082,326	\$ -	\$ -	\$ 91,674	\$ -	\$ 21,174,000
Sales and use	6,931,581	1,166,463	-	-	-	8,098,044
Franchise	727,366	-	-	-	-	727,366
Notes and loans	650,000	56,853,655	4,038,126	-	-	61,541,781
Accounts	8,611,174	35,012	-	-	1,011,686	9,657,872
Leases	196,437	2,846,857	-	-	-	3,043,294
Interest	103,445	136,582	-	-	-	240,027
Other	571,391	-	299,959	1,192,762	-	2,064,112
	<u>38,873,720</u>	<u>61,038,569</u>	<u>4,338,085</u>	<u>1,284,436</u>	<u>1,011,686</u>	<u>106,546,496</u>
Less: allowance for uncollectible accounts	<u>(5,816,254)</u>	<u>(9,566,146)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,382,400)</u>
	<u>\$ 33,057,466</u>	<u>\$ 51,472,423</u>	<u>\$ 4,338,085</u>	<u>\$ 1,284,436</u>	<u>\$ 1,011,686</u>	<u>\$ 91,164,096</u>
Amounts not scheduled for collection during year	<u>\$ 650,000</u>	<u>\$ 41,015,198</u>	<u>\$ 3,385,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,050,598</u>

Included in notes and loans is \$14,348,052 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	Other Enterprise Funds	
Accounts	\$ 95,333	\$ 5,555,978	\$ 978,240	\$ 517,644	\$ 385,717	\$ 7,532,912
Leases	90,083	-	-	-	238,882	328,965
Interest	30	155,863	41,126	188	1,076	198,283
	<u>185,446</u>	<u>5,711,841</u>	<u>1,019,366</u>	<u>517,832</u>	<u>625,675</u>	<u>8,060,160</u>
Less: allowance for uncollectible accounts	<u>-</u>	<u>(138)</u>	<u>(59,876)</u>	<u>(431,381)</u>	<u>(3,295)</u>	<u>(494,690)</u>
	<u>\$ 185,446</u>	<u>\$ 5,711,703</u>	<u>\$ 959,490</u>	<u>\$ 86,451</u>	<u>\$ 622,380</u>	<u>\$ 7,565,470</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

B. RECEIVABLES, Continued

LEASES RECEIVABLE

The City is reporting Leases Receivable of \$3,372,259 on December 31, 2023. For 2023, the City reported lease revenue of \$476,626 and interest revenue of \$60,287 related to lease payments received. These leases are summarized as follows:

Governmental Funds			
Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
T-Mobile West, LLC (Sprint/Nextel)	\$ 183,314	\$ 26,172	\$ 2,315
Key Structures, LLC	-	28,943	277
Lamar Companies	6,561	937	17
Lamar Companies	6,561	936	18
Professional Bull Riders, LLC	-	9,911	19
Trinity Plastics, Inc.	137,927	68,024	973
Lockheed Martin Corporation	221,869	83,252	5,427
Big Horn Solar 1, LLC	2,425,662	112,086	46,354
Professional Bull Riders, LLC	61,400	20,120	1,298
	<u>\$ 3,043,294</u>	<u>\$ 350,381</u>	<u>\$ 56,698</u>

T-Mobile West, LLC (Sprint/Nextel) - September 1, 2015, the City of Pueblo and Texas Telecommunications entered into a lease agreement allowing Texas Telecommunications, equipment provider for Sprint/Nextel, to lease tower space on a City owned telecommunications tower located on Pueblo Blvd. Based on this agreement, the City is receiving monthly payments through 2028. The term of the agreement five years with an automatic renewal for two terms or until August 31, 2030.

Key Structures, LLC - On May 1, 2021, the City entered into a two-year lease agreement with Key Structures, LLC for the Lease of City owned property at Pueblo Memorial Airport Industrial Park. Based on this agreement, the City will receive monthly payments through 2023. There are no renewal options included in this lease agreement.

Lamar Companies - On January 1, 2020, the City entered into two separate eleven-year lease agreements with Lamar Companies for the lease of a portion of two City owned properties. Based on this agreement, the City is receiving annual payments through 2031. After the term of these leases, the two leases shall be automatically renewed annually for additional one-year terms unless either the City or Lamar Companies elect not to renew this lease.

Professional Bull Riders, LLC - On June 8, 2020, the City entered into a two-year lease agreement with Professional Bull Riders, LLC for the lease of storage space within a City owned building. Based on this agreement, the City will receive monthly payments through 2022. The City signed a new three-year lease with Professional Bull Riders, LLC for the same storage space on April 1, 2023, and will receive monthly payments through March 2026.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

B. RECEIVABLES, Continued

Trinity Plastics, Inc. - On June 8, 2020, the City entered into a five-year lease agreement with Trinity Plastics, Inc. for the lease of storage space within a City owned building. Based on this agreement, the City is receiving monthly payments through 2025. Trinity shall have one five-year renewal option to extend the lease from August 1, 2025 to July 31, 2030.

Lockheed Martin Corporation – On July 24, 2022, the City renewed an existing agreement with Lockheed Martin Corporation, the renewal agreement is for two years. This lease agreement is for approximately 22,500 square feet of an airplane hangar located at the Pueblo Memorial Airport. Based on this agreement, the City is receiving monthly payments through 2024. Lockheed shall have one two-year renewal option to extend the lease from July 24, 2024, to July 23, 2026.

Big Horn Solar 1, LLC - On September 24, 2020, the City entered into a twenty-five-year agreement with Big Horn Solar 1, LLC for the lease of 150 acres of unimproved City-owned property for the development of a solar energy project. Based on this agreement, the City is receiving annual payments through 2045. Big Horn Solar has the option to extend the term for four additional five-year periods.

Enterprise Funds			
Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
Bregar Golf, LLC	\$ 90,083	\$ 37,843	\$ 297
Aurora Solar, LLC	88,427	39,538	858
Colorado Outlaw Racing Association, LLC	13,700	12,719	610
South Prairie & O'Neil Enterprises, LLC	49,729	24,718	288
Greyhound Lines, Inc.	87,026	11,427	1,536
	<u>\$ 328,965</u>	<u>\$ 126,245</u>	<u>\$ 3,589</u>

Bregar Golf, LLC - On January 1, 2021, the City entered into a four-year agreement with Bregar Golf, LLC. This lease is for the restaurant and clubhouses at Elmwood Golf Course. Based on this agreement, the City is receiving monthly payments through 2025. This agreement may be renewed for two separate successive and consecutive one-year periods at the discretion of the City.

Aurora Solar, LLC - On July 24, 2022, the City renewed an existing lease with Aurora Solar, LLC for the use of land within the city-owned Honor Farm property for the development of solar electrical generation and energy storage facilities. Based on this agreement, the City is receiving annual payments through 2026. This agreement provides for up to a five-year Development Period to secure all required permissions and permits and the construction and installation of the solar facilities. Following the completion of the Development Period, Aurora Solar, LLC will be authorized to operate the solar energy generation and solar energy storage facilities for a period of forty years.

Colorado Outlaw Racing Association, LLC - On October 10, 2023, the City renewed a one-year agreement with Colorado Outlaw Racing Association, LLC for the operation, management, and promotion of motor sports events at the oval track area located within the Honor Farm Park & Open Space area. Based on this agreement, the City is receiving semi-annual payments through September 2024.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

B. RECEIVABLES, Continued

South Prairie & O'Neil Enterprises, LLC - On January 1, 2021, the City entered into a four- year agreement with South Prairie & O'Neil Enterprises, LLC. This lease is certain facilities at Pueblo Motorsports Park for the operation, management, and promotion of the dragstrip and road racing facilities. Based on this agreement, the City will receive annual payments through 2024. Either party may have the option to extend the term of this Agreement for up to five additional one- year terms.

Greyhound Lines, Inc. – On June 1, 2023, the City entered into a five-year agreement with Greyhound lines, Inc. for providing bus loading and unloading parking at the Transit center at 123 Court Street. Based on this agreement, the City is receiving monthly payments through May 2028. There are no renewal options included in this agreement.

REGULATED LEASES

The City of Pueblo, through Pueblo Memorial Airport (Airport), is a lessor in regulated leases for airport hangars, characterized as aeronautical agreements. The leased hangars are subject to preferential or exclusive use by the lease counterparties. In accordance with GASB Statement No. 87, the Airport does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g., the U.S. Department of Transportation and the Federal Aviation Administration regulated aviation leases between airports, air carriers and other aeronautical users. Regulated leases include the Airline Lease Agreement and related airline leases, as well as contracts with Fixed Based Operators (FBOs), Specialized Aviation Service Operators (SASO).

Airline Lease

The City entered into a new Airline Lease Agreement with Southern Airways Express, LLC serving the Airport, effective January 15, 2023. The agreement has an initial term of two years and is set to expire on January 31, 2025. The term of this agreement may not be extended but would change to a holdover period, with monthly rent increasing to 125% of the rent in effect for the last month payable under the terms of the agreement. Air service at the Pueblo Memorial Airport is under the Federal Essential Air Service (EAS) program which is managed by the U.S. Department of Transportation (USDOT).

The Airline Lease Agreement provides for the use of the Airport and its appurtenances, including landing field, runways, aprons, taxiways, roadways, sewer and water facilities, flood lights, landing lights, and all conveniences for flying, landing, and take-offs of aircraft. Southern Airways Express, LLC may also utilize the transportation system by its aircraft for the carriage of persons, property, cargo, and mail. Southern Airways Express, LLC may install, maintain, use, and operate radio, communications, meteorological and aerial navigation equipment, and facilities in, on, or about the Airport as may be deemed necessary. Southern Airways Express, LLC is also entitled to the use of counter space, office space, and outbound baggage space in the terminal building.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

B. RECEIVABLES, Continued

The key provisions in the Airline Lease Agreement include Southern Airways Express, LLC pays terminal lease rent of \$1,630 monthly. The rent shall be increased biennially based upon the consumer price index (CPI-U) for all urban consumers or a comparable index if the Department of Labor changes or modifies the CPI-U or no longer publishes the CPI-U, with the percentage increase for the rents to never exceed 5% for any two-year period. In addition, Southern Airways Express, LLC pays landing fees at the Pueblo Memorial Airport for all revenue-producing and non-revenue (training) Southern Airways Express flights that land at the Airport at the rate of one dollar per maximum landing weight (MLW) over 25,000 pounds, to include any flight that is diverted to the Airport by Southern Airways Express, LLC provided, however, no landing fees are due and payable in the event of an aircraft departs from the Airport to return and land at the Airport because of meteorological conditions, mechanical or operating causes or for any similar emergency or precautionary reason. Within five days following the end of each calendar month, Southern Airways Express, LLC transmits to the Director of Aviation a true and accurate report, giving the data necessary to calculate the amount of landing fees. Southern Airways Express, LLC is required to pay landing fees monthly within thirty days of the date of statements received by the City.

By definition, the Airline Lease Agreement is considered a regulated lease and does not recognize a receivable and corresponding deferred inflow of resources. For the fiscal year ended December 31, 2023, the Airport recognized terminal lease revenue of \$19,520.

The future minimum terminal lease revenues to be received for Airport leases are as follows:

<u>Fiscal Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 19,560
2025	19,560
Total minimum lease rentals	<u>\$ 39,120</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

B. RECEIVABLES, Continued

DISCRETELY PRESENTED COMPONENT UNITS

Receivables at December 31, 2023, are summarized as follows:

	Total Pueblo		
	Governmental Activities	Business-type Activities	Urban Renewal Authority
Due from Primary Government	\$ 90,654	\$ -	\$ 90,654
Accounts	1,854		1,854
Notes	5,836	288,822	294,658
Vendors fee	524,225	-	524,225
Sales Tax Increment	170,463	-	170,463
Property taxes	9,333,354	-	9,333,354
	<u>\$ 10,126,386</u>	<u>\$ 288,822</u>	<u>\$ 10,415,208</u>

	Governmental Funds				
	General Fund	Regional Tourism	Expanded Downtown District	St. Charles District	Lake Minnequa District
Due from Primary Government	\$ -	\$ -	\$ 90,654	\$ -	\$ -
Accounts	1,854	-	-	-	-
Notes	5,836	-	-	-	-
Vendors Fee	-	-	-	-	-
Sales Tax Increment	-	170,463	-	-	-
Property taxes	101,140	-	895,063	3,561,934	1,033,751
	<u>\$ 108,830</u>	<u>\$ 170,463</u>	<u>\$ 985,717</u>	<u>\$ 3,561,934</u>	<u>\$ 1,033,751</u>

	Governmental Funds				
	Vendor Fee	North Pueblo District	Evraz District	Other Governmental Funds	Total
Due from Primary Government	\$ -	\$ -	\$ -	\$ -	\$ 90,654
Accounts	-	-	-	-	1,854
Notes	-	-	-	-	5,836
Vendors Fee	524,225	-	-	-	524,225
Sales Tax Increment	-	-	-	-	170,463
Property taxes	-	837,066	2,536,307	368,093	9,333,354
	<u>\$ 524,225</u>	<u>\$ 837,066</u>	<u>\$ 2,536,307</u>	<u>\$ 368,093</u>	<u>\$ 10,126,386</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

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, 2023:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental funds -		
General fund	\$ 22,537,464	\$ 36,599,967
Economic development 1/2 cent tax	394,093	-
HUD grants	828,824	3,431,924
Public improvements funds	18,700,340	106,607
Nonmajor governmental	<u>4,155,041</u>	<u>128,224</u>
Total governmental funds	<u>46,615,762</u>	<u>40,266,722</u>
Enterprise funds -		
Golf enterprise	628,436	1,148,507
Sewer user	400,862	-
Storm water utility	95,867	8,460,083
Memorial airport	2,093,265	-
Nonmajor enterprise funds	<u>3,153,990</u>	<u>8,574,932</u>
Total enterprise funds	<u>6,372,420</u>	<u>18,183,522</u>
Internal service fund	<u>6,149,248</u>	<u>687,186</u>
	<u><u>\$ 59,137,430</u></u>	<u><u>\$ 59,137,430</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, 2023:

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
Major governmental funds -		
Advance due general fund from Walking Stick golf course		
major enterprise fund	\$ 1,879,476	\$ -
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	-	1,879,476
Nonmajor enterprise fund -		
Advance due to public improvement fund from honor farm fund	<u>-</u>	<u>747,000</u>
	<u><u>\$ 2,626,476</u></u>	<u><u>\$ 2,626,476</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, 2023

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, 2023, are as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
Governmental funds -		
General fund		
from Other Funds	\$ 4,065,123	\$ -
to Other Funds	-	33,742,132
Economic development 1/2 cent tax to General Fund	-	200,000
HUD grants to General Fund	-	377,628
Public improvements funds		
from General Fund	25,739,827	-
from Nonmajor Funds	992,675	-
to General Fund	-	135,000
to Other funds	-	342,675
Nonmajor Governmental		
from General Fund	3,560,986	-
from Nonmajor Funds	144,749	-
from Stormwater Utility	12,000	-
to General Fund	-	3,352,492
to Public Improvement Fund	-	650,000
to Nonmajor funds	-	144,749
Total governmental funds	<u>34,515,360</u>	<u>38,944,676</u>
Enterprise funds -		
Stormwater utility to Nonmajor Governmental Funds	-	12,000
Memorial airport from General Fund	828,966	-
Other enterprise funds from General Fund	<u>2,512,350</u>	<u>-</u>
Total enterprise funds	<u>3,341,316</u>	<u>12,000</u>
Internal service fund from General Fund	<u>1,100,000</u>	<u>-</u>
	<u>\$ 38,956,676</u>	<u>\$ 38,956,676</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, 2023

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, 2023, was as follows:

	Balance January 1, 2023	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2023
Governmental activities -				
Non-depreciable capital assets -				
Land	\$ 19,751,285	\$ 772,033	\$ -	\$ 20,523,318
Land - infrastructure	79,653,066	1,086,247	-	80,739,313
Art works	1,855,578	378,868	-	2,234,446
Intangibles	1,352,582	26,595	-	1,379,177
Construction in progress	3,990,616	8,692,499	(1,550,992)	11,132,123
Total non-depreciable capital assets	<u>106,603,127</u>	<u>10,956,242</u>	<u>(1,550,992)</u>	<u>116,008,377</u>
Depreciable capital assets -				
Land improvements	56,555,052	1,250,491	-	57,805,543
Infrastructure	204,070,728	3,507,816	-	207,578,544
Buildings	80,176,063	571,216	-	80,747,279
Machinery and equipment	51,497,744	6,356,002	(321,589)	57,532,157
Right-to-use assets - SBITA	3,646,171	79,588	(239,115)	3,486,644
Total depreciable capital assets	<u>395,945,758</u>	<u>11,765,113</u>	<u>(560,704)</u>	<u>407,150,167</u>
Less: accumulated depreciation and amortization for -				
Land improvements	(14,914,801)	(669,676)	-	(15,584,477)
Infrastructure	(65,176,971)	(2,148,461)	-	(67,325,432)
Buildings	(24,830,007)	(1,911,191)	-	(26,741,198)
Machinery and equipment	(42,406,897)	(4,221,624)	301,700	(46,326,821)
Right-to-use assets - SBITA	(2,086,754)	(900,050)	239,115	(2,747,689)
Total accumulated depreciation and amortization	<u>(149,415,430)</u>	<u>(9,851,002)</u>	<u>540,815</u>	<u>(158,725,617)</u>
Depreciable capital assets, net	<u>246,530,328</u>	<u>1,914,111</u>	<u>(19,889)</u>	<u>248,424,550</u>
Governmental activities capital assets, net	<u>\$ 353,133,455</u>	<u>\$ 12,870,353</u>	<u>\$ (1,570,881)</u>	<u>\$ 364,432,927</u>
				Less outstanding certificates of participation (35,557,687)
				Unspent debt proceeds 34,507,808
				Less outstanding financed purchases (88,142)
				Less outstanding SBITA obligations (669,122)
				Less retainage payable (1,038,834)
				Net investment in capital assets <u>\$ 361,586,950</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

E. CAPITAL ASSETS, Continued

The amounts above include buildings and equipment, net of accumulated depreciation, totaling \$775,778 that are related to the internal service fund reported as part of the governmental activities.

As a result of implementation of GASB Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*, \$1,559,417 in SBITA assets, net of accumulated amortization, for Right-to-use SBITA has been added to the beginning balance presented above. As these SBITA assets were offset by an equal amount of SBITA liabilities, the City does not report a restatement of beginning net position for the implementation of GASB 96.

	Balance January 1, 2023	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2023
Business-type activities -				
Non-depreciable capital assets -				
Land	\$ 4,411,394	\$ -	\$ -	\$ 4,411,394
Art works	57,105	-	-	57,105
Intangibles	91,499	5,321	-	96,820
Construction in progress	470,969	1,096,426	(68,700)	1,498,695
Total non-depreciable capital assets	<u>5,030,967</u>	<u>1,101,747</u>	<u>(68,700)</u>	<u>6,064,014</u>
Depreciable capital assets -				
Land improvements	64,635,803	-	-	64,635,803
Infrastructure	112,155,984	-	-	112,155,984
Buildings	92,383,738	242,115	-	92,625,853
Machinery and equipment	24,844,675	1,899,390	(153,002)	26,591,063
Other improvements	26,398,937	-	-	26,398,937
Total depreciable capital assets	<u>320,419,137</u>	<u>2,141,505</u>	<u>(153,002)</u>	<u>322,407,640</u>
Less: accumulated depreciation and amortization for -				
Land improvements	(19,486,765)	(1,658,263)	-	(21,145,028)
Infrastructure	(29,485,890)	(1,117,027)	-	(30,602,917)
Buildings	(24,890,374)	(1,898,164)	-	(26,788,538)
Machinery and equipment	(20,381,553)	(1,506,368)	145,874	(21,742,047)
Other improvements	(24,971,536)	(106,320)	-	(25,077,856)
Total accumulated depreciation and amortization	<u>(119,216,118)</u>	<u>(6,286,142)</u>	<u>145,874</u>	<u>(125,356,386)</u>
Depreciable capital assets, net	<u>201,203,019</u>	<u>(4,144,637)</u>	<u>(7,128)</u>	<u>197,051,254</u>
Business-type activities capital assets, net	<u>\$ 206,233,986</u>	<u>\$ (3,042,890)</u>	<u>\$ (75,828)</u>	<u>\$ 203,115,268</u>
		Plus unspent debt proceeds		3,637,648
		Less outstanding notes payable		(19,153,052)
		Less retainage payable		(528,154)
		Net investment in capital assets		<u>\$ 187,071,710</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

E. CAPITAL ASSETS, Continued

	Balance January 1, 2023	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2023
Pueblo Urban Renewal Authority discretely-presented component unit				
Non-depreciable capital assets -				
Land	\$ 1,279,647	\$ -	\$ -	\$ 1,279,647
Memorial	295,097	-	-	295,097
Total non-depreciable capital assets	<u>1,574,744</u>	<u>-</u>	<u>-</u>	<u>1,574,744</u>
Depreciable capital assets -				
Buildings	51,883,315	-	-	51,883,315
Machinery and equipment	1,664,967	502,382	(53,411)	2,113,938
Other improvements	2,764,978	50,545	(89,790)	2,725,733
Right-to-use assets - lease equipment	4,838	10,353	-	15,191
Right-to-use assets - SBITA	10,040	8,889	-	18,929
Total depreciable capital assets	<u>56,328,138</u>	<u>572,169</u>	<u>(143,201)</u>	<u>56,757,106</u>
Less: accumulated depreciation and amortization for -				
Buildings	(9,675,016)	(1,375,991)	-	(11,051,007)
Machinery and equipment	(933,149)	(196,661)	53,411	(1,076,399)
Other improvements	(1,049,350)	(95,704)	65,552	(1,079,502)
Right-to-use assets - lease equipment	(757)	(2,621)	-	(3,378)
Right-to-use assets - SBITA	(1,871)	(4,909)	-	(6,780)
Total accumulated depreciation and amortization	<u>(11,660,143)</u>	<u>(1,675,886)</u>	<u>118,963</u>	<u>(13,217,066)</u>
Depreciable capital assets, net	<u>44,667,995</u>	<u>(1,103,717)</u>	<u>(24,238)</u>	<u>43,540,040</u>
Pueblo Urban Renewal Authority capital assets, net	<u>\$ 46,242,739</u>	<u>\$ (1,103,717)</u>	<u>\$ (24,238)</u>	<u>\$ 45,114,784</u>
				544,145
Plus deferred amount on refunding				
Plus investments and cash restricted for capital debt				3,006,542
Less outstanding debt obligations				(26,572,921)
Plus net of unamortized discounts/premiums				29,048
Net investment in capital assets				<u>\$ 22,121,598</u>

As a result of implementation of GASB Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*, \$8,169 in SBITA assets, net of accumulated amortization, for Right-to-use assets-SBITA has been added to the beginning balance presented above. As these SBITA assets were offset by an equal amount of SBITA liabilities, the Authority does not report a restatement of beginning net position for the implementation of GASB 96.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

E. CAPITAL ASSETS, Continued

	Balance January 1, 2023	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2023
Pueblo Municipal Rail Corporation discretely-presented component unit				
Non-depreciable capital assets -				
Land	\$ 529,620	\$ -	\$ -	\$ 529,620
Total non-depreciable capital assets	<u>529,620</u>	<u>-</u>	<u>-</u>	<u>529,620</u>
Depreciable capital assets -				
Infrastructure	3,071,960	-	-	3,071,960
Total depreciable capital assets	<u>3,071,960</u>	<u>-</u>	<u>-</u>	<u>3,071,960</u>
Less: accumulated depreciation for -				
Infrastructure	(295,200)	(30,720)	-	(325,920)
Total accumulated depreciation	<u>(295,200)</u>	<u>(30,720)</u>	<u>-</u>	<u>(325,920)</u>
Depreciable capital assets, net	<u>2,776,760</u>	<u>(30,720)</u>	<u>-</u>	<u>2,746,040</u>
Pueblo Municipal Rail Corporation capital assets, net	<u>\$ 3,306,380</u>	<u>\$ (30,720)</u>	<u>\$ -</u>	<u>\$ 3,275,660</u>
				<u>(1,624,244)</u>
				<u>Net investment in capital assets</u> <u>\$ 1,651,416</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities -	
General government	\$ 1,706,309
Public safety	3,748,633
Public works	2,509,084
Culture and community welfare	737,185
Parks and recreation	1,092,437
Economic development	57,354
Total depreciation and amortization expense - governmental activities	<u>\$ 9,851,002</u>
Business-type activities -	
Golf course enterprise fund	\$ 444,756
Sewer user	2,168,787
Stormwater utility	898,829
Memorial airport	1,791,681
Other enterprise funds	982,089
Total depreciation and amortization expense - business-type activities	<u>\$ 6,286,142</u>
Discretely-presented component units -	
Pueblo Urban Renewal Authority	\$ 1,675,886
Pueblo Municipal Rail Corporation	30,720
Total depreciation and amortization expense - discretely-presented component units	<u>\$ 1,706,606</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

E. CAPITAL ASSETS, Continued

At December 31, 2023, 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, 2023	Total Estimated Costs
Governmental activities -		
Parks and recreation projects	\$ 5,315,861	\$ 1,711,026
Public works projects	1,356,471	10,361,260
Other projects	4,459,791	7,064,379
	<u>\$ 11,132,123</u>	<u>\$ 19,136,665</u>
Business-type activities -		
Golf course enterprise fund	\$ 104,455	\$ 90,545
Street Repair	283,179	361,500
Sewer user	627,631	3,138,531
Stormwater utility	483,430	1,934,517
	<u>\$ 1,498,695</u>	<u>\$ 5,525,093</u>

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

Deferred inflows of resources (non-pension related) at December 31, 2023, are summarized as follows:

	Governmental Funds					
	General Fund	Economic Development 1/2 Cent Tax	HUD Grants	Public Improvements Fund	Other Governmental Funds	Total
Property taxes	\$ 21,061,782	\$ -	\$ -	\$ -	\$ 91,674	\$ 21,153,456
Notes and loans	1,387,533	-	3,194,012	-	-	4,581,545
Lease related	187,502	2,716,758	-	-	-	2,904,260
Other unavailable revenue	<u>3,545,950</u>	<u>46,299</u>	<u>6,012,831</u>	<u>2,672,433</u>	<u>-</u>	<u>12,277,513</u>
	26,182,767	2,763,057	9,206,843	2,672,433	91,674	40,916,774
Less: amounts recognized as revenue in government-wide statements	<u>(3,545,946)</u>	<u>(46,299)</u>	<u>(6,012,831)</u>	<u>(2,672,433)</u>	<u>-</u>	<u>(12,277,509)</u>
	<u>\$ 22,636,821</u>	<u>\$ 2,716,758</u>	<u>\$ 3,194,012</u>	<u>\$ -</u>	<u>\$ 91,674</u>	<u>\$ 28,639,265</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

	Pueblo Urban Renewal Authority
Property taxes	\$ 9,333,354
Lease related	<u>8,612</u>
	9,341,966
Less: amounts recognized as revenue in government-wide statements	<u>-</u>
	<u>\$ 9,341,966</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 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2022. 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, 2023

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.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (A1) or A1 cap of 1.00 percent unless adjusted by the automatic adjustment provision (AAP). 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 1.00 percent A1 cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned A1 cap 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, 2023. 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 for the LGDTF are established under C.R. S. § 24-51-401, *et seq* and § 24-51-513. Employee contribution rates for the period of January 1, 2023 through December 31, 2023 are summarized on the table below:

	01/01/2023 through 12/31/2023
Employee contribution rate	9.00%

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, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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

	01/01/2023 through 12/31/2023
Employer contribution rate	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	-1.02%
Amount apportioned to the LGDTF	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.06%
Total Employer contribution rate to the LGDTF	13.74%

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 \$3,935,672 and \$93,662, respectively, for the year ended December 31, 2023.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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

At December 31, 2023, the City of Pueblo and PURA reported a liability of \$29,976,634 and \$812,888 respectively, for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2022. 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 2022 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2022, the City of Pueblo's and PURA's proportion was 3.071 percent, which was a decrease of 0.157 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City of Pueblo and PURA recognized pension expense of \$1,951,199 and \$122,144, respectively. At December 31, 2023, 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	\$ -	\$ 149,440
Net difference between projected and actual earnings on pension plans investments	12,237,891	-
Changes in assumptions of other inputs	-	-
Changes in proportionate share	-	591,497
Differences between contributions recognized and proportionate share of contributions	29,791	-
Contributions subsequent to the measurement date	3,935,672	-
City of Pueblo Total	<u>16,203,354</u>	<u>740,937</u>
<u>Discretely Presented Component Unit-PURA</u>		
Difference between expected and actual experience	-	4,052
Net difference between projected and actual earnings on pension plans investments	331,860	-
Changes in assumptions of other inputs	-	-
Changes in proportionate share	43,895	-
Differences between contributions recognized and proportionate share of contributions	771	-
Contributions subsequent to the measurement date	93,662	-
PURA Total	<u>470,188</u>	<u>4,052</u>
Total	<u>\$ 16,673,542</u>	<u>\$ 744,989</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

\$4,029,334 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, 2024. 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>
2024	\$ (1,832,885)	\$ 1,014
2025	1,709,393	55,536
2026	4,479,648	121,476
2027	7,170,589	194,448
	<u>\$ 11,526,745</u>	<u>\$ 372,474</u>

Actuarial assumptions. The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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)	1.00 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.

The total pension liability for the LGDTF as of December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

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

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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 ages 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 ages 80 and older, with generational projection using scale MP-2019.

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 assumption for all members 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 actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the periods January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board during the November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are 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, the target allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<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	6.00%	4.70%
Total	<u>100.00%</u>	

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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 nominal 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 adjustments resulting from the 2018 and 2020 AAP assessments. 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 required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- 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, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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	\$ 50,323,225	\$ 29,976,634	\$ 12,943,172
Proportionate share of the net pension liability - PURA	\$ 1,364,635	\$ 812,888	\$ 350,985

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's annual comprehensive 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. As of January 1, 2023, Statewide Defined Benefit Plan and the Statewide Hybrid Plan have merged to form the Stateside Retirement Plan (SRP) and the Statewide Defined Benefit Plan becomes the Defined Benefit Component of the Statewide Retirement Plan.

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive 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 annually 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. Contributions rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 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 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 reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2022. 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 6.0 percent of pensionable earnings. 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 \$2,561,883 for the year ended December 31, 2023.

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

At December 31, 2023, the City of Pueblo reported a liability of \$2,779,994 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The City of Pueblo's proportion of the net pension liability was based on the City of Pueblo's contributions to the SWDB for the calendar year 2022 relative to the total contributions of participating employers to the SWDB.

At December 31, 2022, the City of Pueblo's proportion was 3.132 percent, which was an increase of 0.061 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City of Pueblo recognized pension expense of \$2,279,465. At December 31, 2023, the City of Pueblo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,017,724	\$ 341,226
Net difference between projected and actual earnings on pension plan investments	6,291,045	-
Changes in assumptions	3,561,550	-
Changes in proportionate share	667,812	
Differences between contributions recognized and proportionate share of contributions	390,578	-
Contributions subsequent to the measurement date	2,561,883	-
Total	<u>\$ 19,490,592</u>	<u>\$ 341,226</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

\$2,561,883 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, 2024. 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	
2024	\$ 1,714,145
2025	2,897,340
2026	3,956,592
2027	5,353,477
2028	1,192,192
Thereafter	1,473,737
Total	<u>\$ 16,587,483</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, 2022. The valuations used the following actuarial assumption and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2023	January 1, 2022
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%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected to the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-20141 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection 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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its January 2022 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, 2023. 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, 2022, 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	35.0%	8.93%
Equity Long/Short	6.0%	7.47%
Private Markets	34.0%	10.31%
Fixed Income – Rates	10.0%	5.45%
Fixed Income – Credit	5.0%	6.9%
Absolute Return	9.0%	6.49%
Cash	1.0%	3.92%
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.

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).

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.05% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00%.

Sensitivity of the City of Pueblo’s proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is one percent lower and one percent higher:

	1% Decrease (6.00%)	Rate Assumption (7.00%)	1 % Increase (8.00%)
Proportionate share of the net pension liability (asset)	<u>\$ 19,164,917</u>	<u>\$ 2,779,994</u>	<u>\$ (10,792,026)</u>

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

Subsequent Event

During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The Statewide Retirement Plan became the Defined Benefit Component of the Statewide Retirement Plan.

Payable to the pension plan

At December 31, 2023, the City reported a payable of \$206,724 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2023.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

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. FPPA issues a publicly available annual comprehensive 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, 2023, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	92
Inactive, Nonretired Members	0
Active Members	0
Total	<u>92</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

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, 2023, 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, 2022, determines the contribution amounts for 2023 and 2024. Contributions to the pension plan from the City of Pueblo were \$1,150,952 for the year ended December 31, 2023.

Net Pension Liability

The City of Pueblo's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

Actuarial assumptions. The total pension liability in the January 1, 2022, 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	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50 percent
Salary Increases	N/A
Investment Rate of Return	6.50 percent
Retirement Age	Any remaining actives are assumed to retire immediately
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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return</u>
Cash	5.0%	4.4%
Fixed Income – Rates	30.0%	4.9%
Fixed Income – Credit	6.0%	6.6%
Absolute Return	6.0%	6.9%
Long/Short	6.0%	6.7%
Global Public Equity	17.0%	8.7%
Private Capital	<u>30.0%</u>	10.2%
Total	<u>100.00%</u>	

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 4.05% (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%.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

Changes in the Net Pension Liability

	Increase (Decrease)		
	Plan Fiduciary		
	Total Pension	Net Position	Net Pension
	Liability (a)	(b)	Liability (a) - (b)
Balances at 12/31/2022	\$ 54,042,483	\$ 49,521,644	\$ 4,520,839
Changes for the year:			
Service cost	-	-	-
Interest	3,351,125	-	3,351,125
Differences between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contributions - employer	-	1,278,836	(1,278,836)
Contributions - employee	-	-	-
Net investment income	-	(3,478,378)	3,478,378
Benefit payments	(5,052,974)	(5,052,974)	-
Administrative expense	-	(28,499)	28,499
Net changes	(1,701,849)	(7,281,015)	5,579,166
Balances at 12/31/2023	\$ 52,340,634	\$ 42,240,629	\$ 10,100,005

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	\$ 14,187,879	\$ 10,100,005	\$ 6,514,328

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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

For the year ended December 31, 2023, the City of Pueblo recognized pension expense of \$1,027,523. At December 31, 2023, the City of Pueblo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 2,690,991	\$ -
Contributions subsequent to the measurement date	1,150,952	-
Total	<u>\$ 3,841,943</u>	<u>\$ -</u>

\$1,150,952 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, 2024. 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	
2024	\$ 36,016
2025	501,606
2026	838,240
2027	<u>1,315,129</u>
	<u>\$ 2,690,991</u>

Payable to the pension plan

At December 31, 2023, the City reported a payable of \$95,913 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2023.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

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 annual comprehensive 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, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

Employees covered by benefit terms. At December 31, 2023, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	105
Inactive, Nonretired Members	0
Active Members	0
Total	<u>105</u>

Contributions. Members of this fund are currently contributing at the rate of 8% of base salary. For the year ended December 31, 2023, 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, 2022, determines the contribution amounts for 2023 and 2024. Contributions to the pension plan from the City of Pueblo were \$1,519,685 for the year ended December 31, 2023.

Net Pension Liability

The City of Pueblo's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

Actuarial assumptions. The total pension liability in the January 1, 2022, 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	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50 percent
Salary Increases	N/A
Investment Rate of Return	6.50 percent
Retirement Age	Any remaining actives are assumed to retire immediately
Mortality: Post-retirement	2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return</u>
Cash	5.0%	4.4%
Fixed Income – Rates	30.0%	4.9%
Fixed Income – Credit	6.0%	6.6%
Absolute Return	6.0%	6.9%
Long/Short	6.0%	6.7%
Global Public Equity	17.0%	8.7%
Private Capital	30.0%	10.3%
Total	<u>100.00%</u>	

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 4.05% (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%.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

Changes in the Net Pension Liability

	Increase (Decrease)		
	Plan Fiduciary		
	Total Pension	Net Position	Net Pension
	Liability (a)	(b)	Liability (a) - (b)
Balances at 12/31/2022	\$ 41,825,073	\$ 33,995,686	\$ 7,829,387
Changes for the year:			
Service cost	-	-	-
Interest	2,580,555	-	2,580,555
Differences between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contributions - employer	-	1,519,685	(1,519,685)
Contributions - employee	-	-	-
Net investment income	-	(2,381,963)	2,381,963
Benefit payments	(4,316,394)	(4,316,394)	-
Administrative expense	-	(32,286)	32,286
Net changes	(1,735,839)	(5,210,958)	3,475,119
Balances at 12/31/2023	\$ 40,089,234	\$ 28,784,728	\$ 11,304,506

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	\$ 14,232,181	\$ 11,304,506	\$ 8,720,386

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

G. PENSIONS, Continued

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

For the year ended December 31, 2023, the City of Pueblo recognized pension expense of \$1,007,859. At December 31, 2023, 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	\$ 1,836,353	\$ -
Contributions subsequent to the measurement date	1,519,685	-
Total	<u>\$ 3,356,038</u>	<u>\$ -</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, 2024. 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	
2024	\$ 19,933
2025	342,793
2026	573,391
2027	<u>900,236</u>
	<u>\$ 1,836,353</u>

Payable to the pension plan

At December 31, 2023, 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, 2023.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

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 - Governmental Activities	\$21,606,094	\$ -	\$ 11,678,802	\$ 534,041	\$ 1,580,447
FPPA New Hire Fire and Police	2,779,994	-	19,490,592	341,226	2,279,465
FPPA Old Hire Fire	11,304,506	-	3,356,038	-	1,007,859
FPPA Old Hire Police	10,100,005	-	3,841,943	-	1,027,523
Governmental Activities Total	<u>45,790,599</u>	<u>-</u>	<u>38,367,375</u>	<u>875,267</u>	<u>5,895,294</u>
PERA - Business Type Activities	<u>8,370,540</u>	<u>-</u>	<u>4,524,552</u>	<u>206,896</u>	<u>370,752</u>
City of Pueblo Total	<u>54,161,139</u>	<u>-</u>	<u>42,891,927</u>	<u>1,082,163</u>	<u>6,266,046</u>
Discretely Presented Component Unit-PURA					
PERA	<u>812,888</u>	<u>-</u>	<u>470,188</u>	<u>4,052</u>	<u>122,144</u>
PURA Total	<u>812,888</u>	<u>-</u>	<u>470,188</u>	<u>4,052</u>	<u>122,144</u>
Total	<u>\$54,974,027</u>	<u>\$ -</u>	<u>\$ 43,362,115</u>	<u>\$ 1,086,215</u>	<u>\$ 6,388,190</u>

\$9,168,192 and \$93,662 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, 2024. 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	\$ (62,791)	\$ 1,014
2023	5,451,132	55,536
2024	9,847,871	121,476
2025	14,739,431	194,448
2026	1,192,192	-
Thereafter	<u>1,473,737</u>	<u>-</u>
Total	<u>\$ 32,641,572</u>	<u>\$ 372,474</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

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 and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive 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, 2023

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 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 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 \$282,229 and \$6,953 respectively, for the year ended December 31, 2023.

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

At December 31, 2023, the City of Pueblo and PURA reported a liability of \$1,951,385 and \$53,360, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2022. 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 2022 relative to the total contributions of participating employers to the HCTF.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

At December 31, 2022, the City of Pueblo and PURA's proportion was 0.246 percent, which was a decrease of 0.003 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City of Pueblo and PURA recognized OPEB expense of (\$8,958) and \$5,056, respectively. At December 31, 2023, 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	\$ 253	\$ 471,910
Net difference between projected and actual earnings on OPEB plan investments	119,187	-
Changes in assumptions	31,364	215,373
Changes in proportionate share	27,850	113,501
Differences between contributions recognized and proportionate share of contributions	-	1,621
Contributions subsequent to the measurement date	<u>282,229</u>	<u>-</u>
City of Pueblo Total	<u>460,883</u>	<u>802,405</u>
 <u>Discretely Presented Component Unit - PURA</u>		
Difference between expected and actual experience	7	12,905
Net difference between projected and actual earnings on OPEB plan investments	3,259	-
Changes in assumptions	858	5,889
Changes in proportionate share	20,054	-
Differences between contributions recognized and proportionate share of contributions	-	45
Contributions subsequent to the measurement date	<u>6,953</u>	<u>-</u>
PURA Total	<u>31,131</u>	<u>18,839</u>
Total	<u><u>\$ 492,014</u></u>	<u><u>\$ 821,244</u></u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

\$282,229 and \$6,953, 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, 2024. 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>
2024	\$ (215,854)	\$ (62)
2025	(214,139)	134
2026	(102,086)	1,714
2027	(18,846)	2,445
2028	(59,101)	898
Thereafter	(13,725)	210
	<u>\$ (623,751)</u>	<u>\$ 5,339</u>

Actuarial assumptions. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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 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	6.50 percent in 2022, gradually decreasing to 4.50 percent in 2030
Medicare Part A premiums	3.75 percent for 2022, gradually increasing to 4.50 in 2029

The total OPEB liability for the HCTF, as of December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with the Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

Beginning January 1, 2022, the per capita health care costs were developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the United Healthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions		
Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.00%	1.50%
70	2.90%	1.60%
71	1.60%	1.40%
72	1.40%	1.50%
73	1.50%	1.60%
74	1.50%	1.50%
75	1.50%	1.40%
76	1.50%	1.50%
77	1.50%	1.50%
78	1.50%	1.60%
79	1.50%	1.50%
80	1.40%	1.50%
81 and older	0.00%	0.00%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 1,704	\$ 1,450	\$ 583	\$ 496	\$ 1,923	\$ 1,634
70	\$ 1,976	\$ 1,561	\$ 676	\$ 534	\$ 2,229	\$ 1,761
75	\$ 2,128	\$ 1,681	\$ 728	\$ 575	\$ 2,401	\$ 1,896

Sample Age	MAPD PPO #1 Medicare Part A		MAPD PPO #2 Medicare Part A		MAPD HMO (Kaiser) Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 6,514	\$ 5,542	\$ 4,227	\$ 3,596	\$ 6,752	\$ 5,739
70	\$ 7,553	\$ 5,966	\$ 4,901	\$ 3,872	\$ 7,826	\$ 6,185
75	\$ 8,134	\$ 6,425	\$ 5,278	\$ 4,169	\$ 8,433	\$ 6,657

The 2022 Medicare Part A premium is \$499 (actual dollars) per month.

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

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, 2021, 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>
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total OPEB liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the total OPEB liability for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

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 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

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 following health care cost assumptions were updated and used in the roll forward calculation for the HCTF:

- Per capita health care costs in effect as of December 31, 2021, valuation date 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 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

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.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-the-year within the valuation programming used to determine the total OPEB liability, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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.

As 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	6.00%	4.70%
Total	<u>100.00%</u>	

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

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:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1 % Increase in Trend Rates</u>
Initial PERACare Medicare trend rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of the net OPEB liability - City of Pueblo	<u>\$ 1,896,152</u>	<u>\$ 1,951,385</u>	<u>\$ 2,011,484</u>
Proportionate share of the net OPEB liability - PURA	<u>\$ 51,850</u>	<u>\$ 53,360</u>	<u>\$ 55,004</u>

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, 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 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, 2023

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. There was no change in the discount rate from the prior measurement date.

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	\$ 2,262,233	\$ 1,951,385	\$ 1,685,509
Proportionate share of the net OPEB liability - PURA	\$ 61,861	\$ 53,360	\$ 46,090

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's annual comprehensive 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, 2023, the following employees were covered by the benefit terms:

Active Members	190
Retirees, Surviving Spouses, and Covered Spouses	7
Total	<u>197</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

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, 2023, the City of Pueblo reported a net OPEB liability of \$4,389,211. The net OPEB liability for the Police Unit was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022 using data as of that date provided by the City and rolled forward to the measurement date of December 31, 2023.

The changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balance at 12/31/2022	\$ 3,851,267
Changes for the year:	
Service cost	285,087
Interest	177,194
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	126,456
Benefit payments, including refunds of employee contributions	<u>(50,793)</u>
Net change in total OPEB liability	<u>537,944</u>
Balance at 12/31/2023	<u>\$ 4,389,211</u>

For the year ended December 31, 2023, the City of Pueblo recognized OPEB expense of (\$187,603). At December 31, 2023, the City of Pueblo reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 1,643,872
Difference in changes of assumptions	<u>115,996</u>	<u>4,192,417</u>
Total	<u>\$ 115,996</u>	<u>\$ 5,836,289</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

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	
2024	\$ (599,091)
2025	(599,091)
2026	(599,091)
2027	(599,091)
2028	(599,091)
Thereafter	<u>(2,724,838)</u>
	<u>\$ (5,720,293)</u>

Actuarial assumptions. The total OPEB liability in the December 31, 2022, 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	4.00%
Future salary increase	Varies by year of service 15 years or more – 4.25% up to 2 years or less - 11.75%

The mortality assumption used is the Safety Pub-2010 Headcount Weighted Mortality Tables, projected on a fully generational basis using mortality scale MP-2021. The disabled mortality assumption used is 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 used is the Pub-2010 Headcount Weighted Contingent Survivor 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. Note, the SOA did not produce an updated MP-2022 mortality scale due to the experience years associated with the COVID-19 pandemic. Based on industry-wide expectations and the limited experience we have seen within the City of Pueblo plans, we do not believe any update is needed to the current assumption in light of the COVID-19 pandemic.

Covered health care and prescription drug expenses were assumed to increase by the percentages shown in the following table. The initial trend rate was developed using our National Health Care Trend Survey. The survey gathers information of trend expectations for the coming year from various insurers and PBMs. The ultimate trend is developed based on a building block approach which considers CPI, GDP, and Technology growth. We looked at projections published by CMS and considered the latest Getzen model as published by the Society of Actuaries to come up with these expectations.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

<u>Year</u>	<u>Trend Rate</u>
2023	7.50%
2024	7.25%
2025	7.00%
2026	6.75%
2027	6.50%
2028	6.25%
2029	6.00%
2030	5.75%
2031	5.50%
2032	5.25%
2033	5.00%
2034	4.75%
2035	4.50%

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>\$ 3,815,716</u>	<u>\$ 4,389,211</u>	<u>\$ 5,077,304</u>

Discount rate. The discount rate at the measurement date is 4.00%. 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, 2023. The discount rate at the previous measurement date is 4.31% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2022. This change resulted in a \$0.1M increase in liability.

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>\$ 4,820,242</u>	<u>\$ 4,389,211</u>	<u>\$ 3,993,357</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

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, 2023, the following employees were covered by the benefit terms:

Active Members	147
Retirees, Surviving Spouses, and Covered Spouses	11
Total	<u>158</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, 2023, the City of Pueblo reported a net OPEB liability of \$3,707,642. The net OPEB liability for the Fire Unit was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022 using data as of that date provided by the City and rolled forward to the measurement date of December 31, 2023.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

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 12/31/2022	\$ 3,359,365
Changes for the year:	
Service cost	233,447
Interest	152,135
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	90,028
Benefit payments, including refunds of employee contributions	(127,333)
Net change in total OPEB liability	348,277
Balance at 12/31/2023	<u>\$ 3,707,642</u>

For the year ended December 31, 2023, the City of Pueblo recognized OPEB expense of \$(228,516). At December 31, 2023, 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	\$ -	\$ 496,901
Difference in changes of assumptions	81,583	3,273,841
Total	<u>\$ 81,583</u>	<u>\$ 3,770,742</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	
2024	\$ (486,765)
2025	(486,765)
2026	(486,765)
2027	(486,765)
2028	(463,997)
Thereafter	(1,278,102)
	<u>\$ (3,689,159)</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

Actuarial assumptions. The total OPEB liability in the December 31, 2022 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	4.00%
Future salary increase	Varies by year of service 15 years or more – 4.25% up to 2 years or less - 11.75%

The mortality assumption used is the Safety Pub-2010 Headcount Weighted Mortality Tables, projected on a fully generational basis using mortality scale MP-2021. The disabled mortality assumption used is 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 used is the Pub-2010 Headcount Weighted Contingent Survivor 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. Note, the SOA did not produce an updated MP-2022 mortality scale due to the experience years associated with the COVID-19 pandemic. Based on industry-wide expectations and the limited experience we have seen within the City of Pueblo plans, we do not believe any update is needed to the current assumption in light of the COVID-19 pandemic.

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>
2023	7.50%
2024	7.25%
2025	7.00%
2026	6.75%
2027	6.50%
2028	6.25%
2029	6.00%
2030	5.75%
2031	5.50%
2032	5.25%
2033	5.00%
2034	4.75%
2035	4.50%

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

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>\$ 3,285,904</u>	<u>\$ 3,707,642</u>	<u>\$ 4,205,873</u>

Discount rate. The discount rate at the measurement date is 4.00%. 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, 2023. The discount rate at the previous measurement date is 4.31% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2022. This change resulted in a \$0.1M increase in the liability.

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>\$ 4,012,067</u>	<u>\$ 3,707,642</u>	<u>\$ 3,424,630</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

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

SUMMARY OF ALL OPEB PLANS

	Net OPEB <u>Liability</u>	Net OPEB <u>Assets</u>	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
<u>Primary Government - City of Pueblo</u>					
PERA - Governmental Activities	\$ 1,404,215	\$ -	\$ 331,652	\$ 577,410	\$ 17,248
Police Unit	4,389,211	-	115,996	5,836,289	(187,604)
Fire Unit	3,707,642	-	81,583	3,770,742	(228,516)
Gvernmental Activities Total	9,501,068	-	529,231	10,184,441	(398,872)
PERA - Business Type Activities	547,170	-	129,231	224,995	(26,206)
City of Pueblo Total	10,048,238	-	658,462	10,409,436	(425,078)
<u>Discretely Presented Component Unit - PURA</u>					
PERA	53,360	-	31,131	18,839	5,056
PURA Total	53,360	-	31,131	18,839	5,056
Total	\$10,101,598	\$ -	\$ 689,593	\$ 10,428,275	\$ (420,022)

\$282,229 and \$6,953 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, 2024. 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	\$ (1,301,710)	\$ (62)
2023	(1,299,995)	134
2024	(1,187,942)	1,714
2025	(1,104,702)	2,445
2026	(1,122,189)	898
Thereafter	(4,016,665)	210
	<u>\$ (10,033,203)</u>	<u>\$ 5,339</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

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, 2023:

	Balance January 1, 2023	Increases	Decreases	Balance December 31, 2023	Due Within One Year
Governmental activities					
Certificates of participation -					
LED street lights, series 2014	\$ 919,880	\$ -	\$ (454,171)	\$ 465,709	\$ 465,709
Police complex, refunded 2016	2,475,965	-	(2,475,965)	-	-
Fire stations, series 2023	-	32,020,000	-	32,020,000	1,050,000
Unamortized premium	-	3,071,978	-	3,071,978	-
	<u>3,395,845</u>	<u>35,091,978</u>	<u>(2,930,136)</u>	<u>35,557,687</u>	<u>1,515,709</u>
Financed purchases -					
Tyler ERP system	177,994	-	(177,994)	-	-
Fire equipment	173,412	-	(85,270)	88,142	88,142
Police vehicles	316,230	-	(316,230)	-	-
	<u>667,636</u>	<u>-</u>	<u>(579,494)</u>	<u>88,142</u>	<u>88,142</u>
Accrued interest payable	<u>43,610</u>	<u>39,884</u>	<u>(29,973)</u>	<u>53,521</u>	<u>53,521</u>
Compensated absences	<u>5,186,898</u>	<u>6,752,299</u>	<u>(6,006,826)</u>	<u>5,932,371</u>	<u>593,237</u>
Claims and judgments	<u>1,845,538</u>	<u>1,734,644</u>	<u>(1,631,744)</u>	<u>1,948,438</u>	<u>1,656,172</u>
SBITA obligations	<u>1,545,780</u>	<u>79,588</u>	<u>(956,246)</u>	<u>669,122</u>	<u>574,751</u>
Net pension liability	<u>12,350,226</u>	<u>33,440,373</u>	<u>-</u>	<u>45,790,599</u>	<u>-</u>
Net OPEB liability	<u>8,705,392</u>	<u>795,676</u>	<u>-</u>	<u>9,501,068</u>	<u>178,126</u>
Total governmental activities	<u>\$ 33,740,925</u>	<u>\$ 77,934,442</u>	<u>\$ (12,134,419)</u>	<u>\$ 99,540,948</u>	<u>\$ 4,659,658</u>

Payments on the certificates of participation, financed purchases, and accrued interest payable are recorded in the debt service fund. The payments for compensated absences and SBITA obligations 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.

As a result of implementation of GASB Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*, \$1,545,780 in SBITA obligations and \$13,637 in related accrued interest payable have been added to the beginning balances presented above. As these SBITA obligations were offset by an equal amount of SBITA assets, the City does not report a restatement of beginning net position for the implementation of GASB 96.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

	Balance January 1, 2023	Increases	Decreases	Balance December 31, 2023	Due Within One Year
Business-type activities:					
Financed purchases -					
Walking Stick golf course	\$ 182,413	\$ -	\$ (182,413)	\$ -	\$ -
Total	<u>182,413</u>	<u>-</u>	<u>(182,413)</u>	<u>-</u>	<u>-</u>
Notes payable - sewer user fund					
2003 issue	1,000,179	-	(483,603)	516,576	516,577
2009 issue	562,500	-	(75,000)	487,500	75,000
2010 issue	10,718,968	-	(1,233,458)	9,485,510	1,260,207
Unamortized premium	532,625	-	(70,237)	462,388	-
2014 issue	<u>2,846,885</u>	<u>-</u>	<u>(194,731)</u>	<u>2,652,154</u>	<u>203,278</u>
	<u>15,661,157</u>	<u>-</u>	<u>(2,057,029)</u>	<u>13,604,128</u>	<u>2,055,062</u>
Notes payable - stormwater fund					
2018 issue	5,701,721	-	(305,109)	5,396,612	313,983
Unamortized premium	<u>162,466</u>	<u>-</u>	<u>(10,154)</u>	<u>152,312</u>	<u>-</u>
	<u>5,864,187</u>	<u>-</u>	<u>(315,263)</u>	<u>5,548,924</u>	<u>313,983</u>
Accrued interest payable	<u>260,475</u>	<u>220,924</u>	<u>(260,475)</u>	<u>220,924</u>	<u>220,924</u>
Compensated absences	<u>683,566</u>	<u>911,012</u>	<u>(832,710)</u>	<u>761,868</u>	<u>76,187</u>
Net pension liability	<u>-</u>	<u>8,370,540</u>	<u>-</u>	<u>8,370,540</u>	<u>-</u>
Net OPEB liability	<u>609,264</u>	<u>-</u>	<u>(62,094)</u>	<u>547,170</u>	<u>-</u>
Total business-type activities	<u>\$ 23,261,062</u>	<u>\$ 9,502,476</u>	<u>\$ (3,709,984)</u>	<u>\$ 29,053,554</u>	<u>\$ 2,666,156</u>

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

	Balance January 1, 2023	Increases	Decreases	Balance December 31, 2023	Due Within One Year
Pueblo Urban Renewal Authority discretely-presented component unit					
Convention Center sales					
tax increment bond Series 2017	\$ 7,875,000	\$ -	\$ (20,000)	\$ 7,855,000	\$ 75,000
Unamortized discount	(97,812)	-	6,986	(90,826)	-
	<u>7,777,188</u>	<u>-</u>	<u>(13,014)</u>	<u>7,764,174</u>	<u>75,000</u>
Expanded Downtown refunding, series 2020	<u>4,250,000</u>	<u>-</u>	<u>(565,000)</u>	<u>3,685,000</u>	<u>580,000</u>
Lake Minnequa TIF refunding, series 2020	<u>2,040,000</u>	<u>-</u>	<u>(180,000)</u>	<u>1,860,000</u>	<u>185,000</u>
North Pueblo TIF refunding, series 2020	<u>2,840,000</u>	<u>-</u>	<u>(320,000)</u>	<u>2,520,000</u>	<u>330,000</u>
Memorial Hall taxable refunding, series 2020	8,824,613	-	(461,072)	8,363,541	479,968
Unamortized premium	204,008	-	(12,750)	191,258	-
	<u>9,028,621</u>	<u>-</u>	<u>(473,822)</u>	<u>8,554,799</u>	<u>479,968</u>
Evraz TIF Series 2021A	<u>88,095,000</u>	<u>-</u>	<u>-</u>	<u>88,095,000</u>	<u>-</u>
Evraz TIF Series 2021B	<u>3,065,033</u>	<u>-</u>	<u>-</u>	<u>3,065,033</u>	<u>-</u>
St Charles TIF Series 2022	<u>17,020,000</u>	<u>-</u>	<u>(1,074,143)</u>	<u>15,945,857</u>	<u>1,150,262</u>
Convention Center taxable refunding, series 2020	2,850,387	-	(148,928)	2,701,459	155,032
Unamortized premium	65,895	-	(4,118)	61,777	-
	<u>2,916,282</u>	<u>-</u>	<u>(153,046)</u>	<u>2,763,236</u>	<u>155,032</u>
Obligation under financed purchases	<u>172,236</u>	<u>-</u>	<u>(40,773)</u>	<u>131,463</u>	<u>42,632</u>
Lease obligations	<u>4,081</u>	<u>10,353</u>	<u>(2,003)</u>	<u>12,431</u>	<u>7,787</u>
SBITA obligations	<u>8,169</u>	<u>8,889</u>	<u>(4,301)</u>	<u>12,757</u>	<u>3,459</u>
Accrued interest payable	<u>485,095</u>	<u>6,185,032</u>	<u>(6,193,595)</u>	<u>476,532</u>	<u>476,532</u>
Compensated absences	<u>81,215</u>	<u>37,929</u>	<u>(52,738)</u>	<u>66,406</u>	<u>52,738</u>
Net pension liability	<u>(58,927)</u>	<u>871,815</u>	<u>-</u>	<u>812,888</u>	<u>-</u>
Net OPEB liability	<u>46,074</u>	<u>7,286</u>	<u>-</u>	<u>53,360</u>	<u>-</u>
Total Pueblo Urban Renewal Authority discretely-presented component unit	<u>\$ 137,770,067</u>	<u>\$ 7,121,304</u>	<u>\$ (9,072,435)</u>	<u>\$ 135,818,936</u>	<u>\$ 3,538,410</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

	Balance January 1, 2023	Increases	Decreases	Balance December 31, 2023	Due Within One Year
Pueblo Municipal Rail Corporation discretely-presented component unit					
Note payable	\$ 1,968,801	\$ -	\$ (344,557)	\$ 1,624,244	\$ 1,502,207
Accrued interest payable	<u>606,484</u>	<u>129,004</u>	<u>-</u>	<u>735,488</u>	<u>735,488</u>
Total Pueblo Municipal Rail Corporation discretely-presented component unit	<u>\$ 2,575,285</u>	<u>\$ 129,004</u>	<u>\$ (344,557)</u>	<u>\$ 2,359,732</u>	<u>\$ 2,237,695</u>

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

Certificates of participation

\$4,200,000 certificates of participation issue of Pueblo Municipal Building Corporation; interest rate of 1.25%; due in annual installments of \$471,530 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

\$ 465,709

\$32,020,000 certificates of participation issued by the City; interest rate ranges from 4.00% to 5.00%; due in annual installments, including interest ranging from \$2,474,400 to \$2,479,150 through December 2043; debt is serviced by debt service fund, and is subject to annual appropriation by City Council, collateralized by buildings with a carrying value of \$49,537,897

32,020,000
32,485,709

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

Obligations under financed purchases

\$546,674 obligation under financed purchase; 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

88,142

88,142

Other obligations

Accrued interest payable	53,521
Compensated absences	5,932,371
Self-insured claims and judgments	1,948,438
SBITA obligations	669,122
Net pension liability	45,790,599
Net OPEB liability	<u>9,501,068</u>
	<u>63,895,119</u>

Total governmental activities \$ 96,468,970

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>
2024	\$ 1,515,709	\$ 1,433,019	\$ 2,948,728
2025	1,020,000	1,458,650	2,478,650
2026	1,070,000	1,407,650	2,477,650
2027	1,125,000	1,354,150	2,479,150
2028	1,180,000	1,297,900	2,477,900
2029-2033	6,845,000	5,543,250	12,388,250
2034-2038	8,730,000	3,652,750	12,382,750
2039-2043	<u>11,000,000</u>	<u>1,376,350</u>	<u>12,376,350</u>
	<u>\$ 32,485,709</u>	<u>\$ 17,523,719</u>	<u>\$ 50,009,428</u>

The debt service requirements for the governmental activities financed purchases are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 88,142	\$ 2,970	\$ 91,112
	<u>\$ 88,142</u>	<u>\$ 2,970</u>	<u>\$ 91,112</u>

The debt service requirements for the governmental activities SBITA obligations are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 574,751	\$ 9,216	\$ 583,967
2025	66,631	2,420	69,051
2026	<u>27,740</u>	<u>604</u>	<u>28,344</u>
	<u>\$ 669,122</u>	<u>\$ 12,240</u>	<u>\$ 681,362</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

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 \$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.

The \$32,020,000 three fire stations, series 2023 certificates of participation issued by BOKF, NA represent assignments of undivided interests in rights to receive payments pursuant to an annually renewable lease purchase agreement and site lease agreement dated December 1, 2023. The principal and interest on the certificates are payable solely from annually appropriated base rentals paid by the City to BOKF, NA. The certificates shall never constitute or give rise to a general obligation of the City within the meaning of any constitutional, statutory, or other charter limitation. All the payment obligations of the City are subject to annual appropriation by City Council.

The City has entered into subscription-based information technology arrangements (SBITAs) for public safety and administrative purposes. The SBITAs expire at various dates through 2026 and provide for renewal options. The subscriptions have payments that range from \$5,072 to \$345,072 and interest rates that range from 0.363% to 3.712%. As of December 31, 2023, SBITA assets and the related accumulated amortization totaled \$3,486,644 and \$2,747,689, respectively. For the year ended December 31, 2023, variable payments including per user and usage-based costs associated with SBITAs were \$0.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

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:

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	516,576
\$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	487,500
\$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	9,485,510
\$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	2,652,154
\$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	5,396,612
	<u>18,538,352</u>

Other obligations

Accrued interest payable	220,924
Compensated absences	761,868
Net pension liability	8,370,540
Net OPEB liability	547,170
	<u>9,900,502</u>

Total business-type activities	<u>\$ 28,438,854</u>
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City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,928,124	363,726	2,291,850
2028	1,984,622	297,423	2,282,045
2029-2033	5,964,045	697,377	6,661,422
2034-2038	2,502,626	248,922	2,751,548
	<u>\$ 18,538,352</u>	<u>\$ 2,852,023</u>	<u>\$ 21,390,375</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, 2023

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	\$ 7,855,000
\$5,945,000 revenue refunding bonds series 2020; interest rate 1.60%; due in semi-annual installments, including annual interest ranging from \$627,499 to \$660,400 through December 2029	3,685,000
\$2,545,000 tax increment revenue refunding bonds series 2020, interest rate 2.95%; due in semi-annual installments, including annual interest ranging from \$196,903 to \$240,180 through December 2032	1,860,000
\$3,825,000 tax increment revenue refunding bonds series 2020, interest rate 2.75%; due in semi-annual installments, including annual interest ranging from \$398,100 to \$402,692 through December 2030	2,520,000
\$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	8,363,541
\$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	2,701,459
\$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
\$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	3,065,033
\$17,020,000, taxable increment revenue bonds series 2022; interest rate 4.53%; due in semi-annual installments, including annual interest, ranging from \$1,849,432 to \$1,872,609 through December 2034	<u>15,945,857</u> <u>134,090,890</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

Obligations under financed purchases

\$91,000 obligation under financed purchase; interest rate of 4.25%; due in monthly installments including interest of \$1,257 through August 2026 37,934

\$193,498 obligation under financed purchase; interest rate of 4.54%; due in monthly installments including interest of \$2,714 through February 2027 93,529
131,463

Other obligations

Accrued interest payable 476,532
 Compensated absences 66,406
 Lease obligations 12,431
 SBITA obligations 12,757
 Net pension liability 812,888
 Net OPEB liability 53,360
1,434,374

Total Pueblo Urban Renewal Authority discretely-presented component unit \$135,656,727

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

Year Ending December 31	Governmental Activities			
	Revenue Bonds		Lease & SBITA Obligations	
	Principal	Interest	Principal	Interest
2024	\$ 2,725,230	\$ 5,281,722	\$ 11,246	\$ 1,380
2025	6,959,929	5,991,171	7,774	685
2026	7,575,701	5,056,211	2,098	392
2027	7,482,753	4,742,417	2,261	229
2028	7,503,604	4,434,340	1,809	57
2029-2033	32,912,974	17,694,706	-	-
2034-2038	23,404,240	11,344,185	-	-
2039-2043	23,685,000	6,174,052	-	-
2044-2045	11,285,000	812,726	-	-
	<u>\$ 123,534,431</u>	<u>\$ 61,531,530</u>	<u>\$ 25,188</u>	<u>\$ 2,743</u>

Year Ending December 31	Business-type Activity			
	Revenue Bonds		Financed Purchases	
	Principal	Interest	Principal	Interest
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	396,018	407,146	2,702	9
2028	469,680	392,562	-	-
2029-2033	2,649,907	1,695,291	-	-
2034-2038	6,177,214	616,981	-	-
	<u>\$ 10,556,459</u>	<u>\$ 4,396,471</u>	<u>\$ 131,463</u>	<u>\$ 9,166</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

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

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

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

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

The \$4,000,000 multi-draw term bank note was issued to provide assistance for the construction of the Dillon flyover infrastructure project together with other improvements in the North Pueblo district. Interest and principal on this note are payable from the pledged incremental property taxes generated within the North Pueblo district. In connection with this note, the Authority entered into an agreement with the City, which allows for the City, at its discretion, to fund any shortfalls in the Authority's ability to make debt service payments from pledged incremental property taxes. The agreement provides that if the North Pueblo district eventually provides the Authority with a surplus of incremental property taxes, the Authority will repay the shortfall payments made by the City, along with 5% of simple interest. During 2023, the City did not pay any debt service shortfall.

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

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

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

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

The \$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.

The \$17,020,000 Tax Increment Revenue Bonds Series 2022 were issued by the Authority for the purpose of providing funds for a portion of certain public improvements including projects selected by Pueblo County, Pueblo City Schools and District 70 School District. These include improvements to a regional sports facility, Pueblo West High School and a new County roadway extension. Interest and principal on this note are payable from these entities' pledged portions of incremental property taxes generated within the St. Charles Urban Renewal Area

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

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.

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.

Lease Obligations – The Authority entered into two separate lease agreements for telephone equipment and a copier to be used in the administrative office. The phone lease began on June 1, 2022, and ends on June 1, 2025, with an initial value of \$4,838 and 36 monthly payments of \$145. The copier lease began on September 1, 2023, and ends on September 1, 2028, with an initial value of \$10,353 and 60 monthly payments of \$207. There were no stated interest rates in the leases to the Authority used the current line of credit rate at the time the lease was initiated to calculate the initial present value.

SBITA Obligations – The Authority entered into two separate subscription-based information technology arrangements (SBITAs) for internet-based telephone service and offsite data storage. The phone service agreement began on Jun 1, 2022, and ends on Jun 1, 2025, with an initial value of \$10,040 and 36 monthly payments of \$300. The data storage agreement began on September 1, 2023, and ends on September 1, 2025, with an initial value of \$8,889 and 24 monthly payments of \$400. There were no stated interest rates in the leases so the Authority used the current line of credit rate at the time the agreements were initiated to calculate the initial present value.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

I. LONG-TERM LIABILITIES, Continued

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 2024; collateralized by land with a carrying value of \$529,620

\$ 1,624,244

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>
2024	\$ 1,624,244	\$ 735,488	\$ 2,359,732
	<u>\$ 1,624,244</u>	<u>\$ 735,488</u>	<u>\$ 2,359,732</u>

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, 2023, is as follows:

	<u>Governmental Activities</u>	<u>Pueblo Urban Renewal Authority</u>
Tabor	\$ 4,974,493	\$ -
Economic development	111,834,888	-
Debt service and district projects	-	318,340
Capital projects	40,449,651	-
Public safety	7,456,783	-
Public works	12,807,862	-
Parks and recreation	2,170,500	-
Culture and community welfare	2,015,815	-
	<u>\$ 181,709,992</u>	<u>\$ 318,340</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

J. NET POSITION, Continued

Restricted for TABOR – This represents approximately 3% of the City’s 2023 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.

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 (\$3,558,128) difference are as follows:

Internal receivable representing charges in excess of cost to business-type activities-prior years, Pueblo Transit	\$ (1,547,095)
Internal receivable representing charges in excess of cost to business-type activities-prior years, Internal Service Fund	(2,180,014)
Internal receivable representing costs in excess of charges to business-type activities-current year, Pueblo Transit	308,078
Internal receivable representing charges in excess of cost to business-type activities-current year, Internal Service Fund	(139,097)
Net adjustment to decrease net position - total enterprise funds to arrive at net position - business-type activities	<u>\$ (3,558,128)</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, 2023

III. DETAILED NOTES FOR ALL FUNDS, Continued

K. FUND BALANCES

At December 31, 2023, 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	\$ 35,799	\$ -	\$ -	\$ -	\$ -	\$ 35,799
Prepaid items	821,713	-	-	2,948,703	12,546	3,782,962
Long-term fund advances	1,879,476	-	-	-	-	1,879,476
Total Nonspendable	2,736,988	-	-	2,948,703	12,546	5,698,237
Restricted - Tabor	4,974,493	-	-	-	-	4,974,493
Economic development incentives	-	111,834,888	-	-	-	111,834,888
Low and moderate income assistance	-	-	1,251,687	-	385,059	1,636,746
Streets, highways and bridges	-	-	-	-	9,035,196	9,035,196
Police and fire assistance	-	-	-	-	7,456,783	7,456,783
Parks and recreation projects	-	-	-	-	2,170,500	2,170,500
Waste and other disposal	-	-	-	-	3,772,666	3,772,666
District maintenance	-	-	-	-	140,176	140,176
Cemetery maintenance	-	-	-	-	15,440	15,440
Opioid Education Projects	-	-	-	-	223,453	223,453
Capital projects	-	-	-	5,772,299	34,677,352	40,449,651
Total Restricted	4,974,493	111,834,888	1,251,687	5,772,299	57,876,625	181,709,992
Committed -						
Minimum reserve	12,718,539	-	-	-	-	12,718,539
Capital projects	-	-	-	104,831	-	104,831
Total Committed	12,718,539	-	-	104,831	-	12,823,370
Assigned -						
Subsequent years' expenditures	10,742,023	-	-	-	-	10,742,023
Year-end sales and use tax receivable	7,658,947	-	-	-	-	7,658,947
Capital projects	-	-	-	16,163,106	-	16,163,106
Long-term fund advances	-	-	-	747,000	-	747,000
Parks and recreation projects	-	-	-	-	60,713	60,713
Donor specified projects	-	-	-	-	302,692	302,692
Total Assigned	18,400,970	-	-	16,910,106	363,405	35,674,481
Unassigned	17,630,307	-	-	-	-	17,630,307
Total Unassigned	17,630,307	-	-	-	-	17,630,307
	<u>\$ 56,461,297</u>	<u>\$ 111,834,888</u>	<u>\$ 1,251,687</u>	<u>\$ 25,735,939</u>	<u>\$ 58,252,576</u>	<u>\$ 253,536,387</u>

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

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

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. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years. 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 \$1,195,000 per occurrence for property and casualty.

The City has elected to self-insure for workmen's compensation with a specific retention risk of \$750,000 for police/fire and \$600,000 for all other employees in 2023. Claims and insurance costs are recognized as expenses in the internal service fund and totaled \$3,935,552 for the year ended December 31, 2023. At December 31, 2023, the actuarially determined loss reserve for self-insured workmen's compensation claims totaled \$1,948,438 which represents the discounted present value of expected losses using a discount rate assumption of 5% and includes claims incurred but not yet reported. Changes in this claims liability for the years ended December 31, 2023 and 2022 are as follows:

	<u>Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Estimated claims liability, January 1	\$ 1,845,538	\$ 1,559,216
Current year claims and changes in estimates	(1,631,744)	(1,469,410)
Current year payments	1,734,644	1,755,732
Estimated claims liability, December 31	<u>\$ 1,948,438</u>	<u>\$ 1,845,538</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 \$12,998,698 for the year ended December 31, 2023, resulting in a 91% loss ratio to the budget accruals.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

IV. OTHER NOTE DISCLOSURES, Continued

A. RISK MANAGEMENT, Continued

Evraz Project Area (PURA) – Certain international events and action have occurred 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 0.80% 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 3.40% of covered salary. The City of Pueblo’s contributions to the statewide death and disability plan for the years ended December 31, 2023, 2022, 2021, and 2020 were \$738,097, \$671,282, \$630,710, and \$612,637, 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, 2023

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 \$819,483 for 2023. 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 \$508,000 for 2023.

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, 2023

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 2023, 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

MULTI-YEAR AGREEMENTS

The City previously entered into an agreement to acquire equipment and professional services for certain public safety activities. The City has determined this agreement does not meet the criteria under GASB 87-Leases, due to the timing of receipt of the underlying equipment, which is over the term of the agreement. The estimated total cost of the equipment and miscellaneous items is \$1,249,563 and the following table presents a schedule of minimum payments due that are subject to annual appropriation by City Council:

<u>Year Ending December 31,</u>	
2024	\$ 308,603
	<u>\$ 308,603</u>

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

IV. OTHER NOTE DISCLOSURES, Continued

C. COMMITMENTS AND CONTINGENCIES, Continued

OTHER COMMITMENTS AND CONTINGENCIES

Encumbrances are commitments related to unperformed (executory) contracts for goods and services. Encumbrances outstanding at December 31, 2023 are not accounted for as expenditures and liabilities but are included in fund balance. Encumbrances outstanding at December 31, 2023 for governmental funds are as follows:

General fund	\$ 156,473
Economic development 1/2 cent tax fund	5,473
HUD grants fund	29,821
Capital projects fund	6,441,748
Other governmental funds	1,792,379
	<u>\$ 8,425,894</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.

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, 2023.

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 cannot exceed 10% of assessed valuation. At December 31, 2023, the debt limit was \$133,902,517 and the debt margin was \$133,902,517.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

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.

National Opioid Settlements

In 2021, nationwide settlements were reached to resolve all opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors—McKesson, Cardinal Health, and AmerisourceBergen (“Distributors”)—and against manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (collectively, “J&J”). These 2021 National Settlements have been finalized, and payments have already begun. In all, the Distributors will pay up to \$21 billion over 18 years, and J&J will pay up to an additional \$5 billion over no more than nine years.

In late 2022, agreements were announced with three pharmacy chains—CVS, Walgreens, and Walmart—and two additional manufacturers—Allergan and Teva. In January 2023, each of those pharmacy chains and manufacturers confirmed that a sufficient number of states had agreed to the settlements to move forward. As with the 2021 National Settlements, states and local governments that want to participate in the 2022 National Settlements now will have the opportunity to “opt in.” The greater the level of subdivision participation, the more funds will ultimately be paid out for abatement.

In 2023, the City received \$78,116 in settlement payments. There are settlement agreements still ongoing and the City is unable to determine the total amount of any future settlement payments.

City of Pueblo, Colorado
Notes to Financial Statements
December 31, 2023

IV. OTHER NOTE DISCLOSURES, Continued

C. COMMITMENTS AND CONTINGENCIES, Continued

Pueblo Urban Renewal Authority

The Authority entered into an agreement with Thunder Village Metropolitan District and Thunder Village Metropolitan District 2 which provides that the Authority will reimburse the District for the costs of certain public improvements. As of December 31, 2023, the District has approximately \$6,371,740 of unreimbursed expenses. The Authority's obligation, however, is limited to the amount of actual tax increment revenues generated within the Thunder Village Metropolitan District project area until 2032 and the Thunder Village Metropolitan District 2 project area until 2045.

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, 2023, the Authority recognized sales tax increment revenues of \$883,612.

The Authority entered into an agreement with Lot 1, LLC which provides that the Authority will reimburse Lot 1, LLC for the costs of certain public improvements. As of December 31, 2023, Lot 1, LLC has approximately \$161,400 of unreimbursed expenses. The Authority's obligation, however, is limited to fifty percent (50%) of the amount of actual incremental property taxes generated by the property in question within the Downtown Expanded Project Area until 2029.

The Authority entered into an agreement with Full Plate Management, LLC which provides that the Authority will reimburse Full Plate Management, LLC for the costs of certain public improvements. As of December 31, 2023, Full Plate Management, LLC has approximately \$3,031,914 of unreimbursed expenses. The Authority's obligation, however, is limited to eighty-eight percent (88%) of the amount of actual incremental property taxes generated by the property in question within the Union Avenue Project Area until 2034.

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 25, 2024, the date that the financial statements were available to be issued.

Required Supplementary Information

City of Pueblo, Colorado
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budget Basis	Final Budget
REVENUES AND OTHER FINANCING SOURCES				
Taxes	\$ 102,092,312	\$ 102,092,312	\$ 99,982,344	\$ (2,109,968)
Licenses and permits	949,700	949,700	1,021,934	72,234
Intergovernmental	3,349,020	3,349,020	3,098,943	(250,077)
Charges for services	4,854,841	4,854,841	4,820,086	(34,755)
Fees and fines	1,536,300	1,536,300	1,270,845	(265,455)
Investment earnings	200,000	200,000	3,130,258	2,930,258
Disposal of assets	10,000	10,000	77,283	67,283
Other revenue	484,695	484,695	303,712	(180,983)
Transfers in	3,896,445	4,031,445	4,065,123	33,678
TOTAL REVENUES AND OTHER FINANCING SOURCES	117,373,313	117,508,313	117,770,528	262,215
EXPENDITURES AND OTHER FINANCING USES				
Current -				
General government -				
City council	441,425	441,425	302,917	138,508
Mayor's office	1,196,793	1,140,817	969,178	171,639
Municipal court	1,590,069	1,590,069	1,399,624	190,445
City clerk	726,669	731,471	731,471	-
Human resources	997,165	984,746	886,162	98,584
Finance	3,217,234	2,951,672	2,639,926	311,746
Civil service	455,410	455,410	405,532	49,878
Law	1,211,101	1,331,101	1,160,381	170,720
Information technology	5,014,186	5,007,841	4,678,596	329,245
Planning	1,095,915	1,095,915	921,047	174,868
Purchasing	545,649	545,649	523,871	21,778
Housing	589,788	589,788	442,692	147,096
Public safety -				
Police	34,924,051	34,319,824	30,561,404	3,758,420
Fire	23,448,512	23,362,071	22,853,221	508,850
Public works	10,041,636	9,827,496	7,937,993	1,889,503
Parks and recreation	7,654,643	7,634,767	7,431,563	203,204
Culture and community welfare	7,607,777	7,660,954	7,566,832	94,122
Nondepartmental	892,000	1,155,000	1,152,697	2,303
Capital outlay	-	890,804	798,567	92,237
Transfers out	32,585,549	36,059,065	33,742,132	2,316,933
TOTAL EXPENDITURES AND OTHER FINANCING USES	134,235,572	137,775,885	127,105,806	10,670,079
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(16,862,259)	(20,267,572)	(9,335,278)	10,932,294
FUND BALANCE, January 1	16,862,259	20,267,572	58,178,809	37,911,237
FUND BALANCE, December 31	\$ -	\$ -	48,843,531	\$ 48,843,531
Adjustment from budgetary basis to generally accepted accounting principles				
Accrued sales tax and franchise tax			7,658,947	
Change in allowance for uncollectible account			(50,518)	
Lease recognition adjustments			9,337	
Fund balance - generally accepted accounting principles			\$ 56,461,297	

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, 2023

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	\$ 117,770,528
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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	(7,839,760)
Accrued sales tax and franchise tax, end of year	7,658,947
SBITA recognition adjustments	79,588
Lease recognition adjustments	2,058
Change in the allowance for uncollectible accounts	<u>22,903</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 117,694,264</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

\$ 127,105,806

Differences - Budget to GAAP

SBITA recognition adjustments	<u>79,588</u>
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GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u>\$ 127,185,394</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, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budget Basis	Final Budget
REVENUES				
Investment earnings	\$ 775,755	\$ 775,755	\$ 3,671,356	\$ 2,895,601
Rents and other revenue	1,194,000	1,194,000	1,802,243	608,243
Sales and use taxes	12,541,887	12,541,887	12,026,152	(515,735)
TOTAL REVENUES AND OTHER FINANCING SOURCES	14,511,642	14,511,642	17,499,751	2,988,109
EXPENDITURES AND OTHER FINANCING USES				
Current -				
Professional services	455,000	455,000	377,975	77,025
Programs/projects	13,406,642	38,826,330	10,083,606	28,742,724
Capital outlay	450,000	450,000	-	450,000
Transfers out	200,000	200,000	200,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	14,511,642	39,931,330	10,661,581	29,269,749
NET CHANGE IN FUND BALANCE	-	(25,419,688)	6,838,170	32,257,858
FUND BALANCE, January 1	-	25,419,688	57,565,293	32,145,605
FUND BALANCE, December 31	\$ -	\$ -	64,403,463	\$ 64,403,463
Adjustment from budgetary basis to generally accepted accounting principles				
Notes and loans receivable, net			47,287,509	
Lease recognition adjustments			143,916	
Fund balance - generally accepted accounting principles			\$ 111,834,888	

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, 2023

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	\$ 17,499,751
Differences - budget to GAAP	
Loan payments received	(714,233)
Lease recognition adjustments	<u>46,951</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 16,832,469</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	\$ 10,661,581
Differences - Budget to GAAP	
Loans made during the year	1,615,605
Credits awarded to loan recipients for meeting established employment targets	<u>2,767,265</u>

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u>\$ 15,044,451</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, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budget Basis	Final Budget
REVENUES AND OTHER FINANCING SOURCES				
Intergovernmental	\$ 2,025,000	\$ 2,456,399	\$ 4,193,201	\$ 1,736,802
Loan payments	-	-	1,408	1,408
Other revenue	-	-	19,444	19,444
Transfers in	382,150	50,000	-	(50,000)
TOTAL REVENUES AND OTHER FINANCING SOURCES	2,407,150	2,506,399	4,214,053	1,707,654
EXPENDITURES AND OTHER FINANCING USES				
Current -				
Programs/projects	2,317,150	12,239,916	1,951,067	10,288,849
Capital outlay	-	87,550	1,228,973	(1,141,423)
Transfers out	345,000	361,391	377,628	(16,237)
TOTAL EXPENDITURES AND OTHER FINANCING USES	2,662,150	12,688,857	3,557,668	9,131,189
NET CHANGE IN FUND BALANCE	(255,000)	(10,182,458)	656,385	10,838,843
FUND BALANCE, January 1	255,000	10,182,458	2,153,779	(8,028,679)
FUND BALANCE, December 31	\$ -	\$ -	2,810,164	\$ 2,810,164
Adjustment from budgetary basis to generally accepted accounting principles				
Loans receivable			4,038,126	
Inventory of land held for resale			116,968	
Deferred inflow of resources related to grants			(5,713,571)	
Fund balance - generally accepted accounting principles			\$ 1,251,687	

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, 2023

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	\$ 4,214,053
Differences - budget to GAAP	
Loan payments and other revenue received	(1,408)
Deferred inflows of resources related to grants	<u>(3,060,497)</u>
GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 1,152,148</u>

See notes to required supplementary information.

City of Pueblo, Colorado
Notes to Required Supplementary Information
Year Ended December 31, 2023

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 2023, 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 (Asset)
Public Employees' Retirement Association
Local Government Division Trust Fund
Year Ended December 31, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability (asset)	3.071%	3.228%	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 (asset)	\$ 30,789,522	\$ (2,768,216)	\$ 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	\$ 25,561,274	\$ 24,375,525	\$ 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 (asset) as a percentage of its covered payroll	120.454%	-11.357%	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 (asset)	82.990%	101.490%	90.880%	86.260%	75.960%	79.370%	73.600%	76.900%	88.783%	91.876%

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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 4,029,334	\$ 3,384,970	\$ 3,170,964	\$ 2,959,364	\$ 2,877,365	\$ 2,765,672	\$ 2,618,370	\$ 2,461,991	\$ 2,421,672	\$ 2,424,221
Contributions in relation to the contractually required contribution	<u>4,029,334</u>	<u>3,384,970</u>	<u>3,170,964</u>	<u>2,959,364</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>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 29,266,481	\$ 25,561,274	\$ 24,375,525	\$ 23,000,641	\$ 22,678,872	\$ 21,812,282	\$ 20,653,640	\$ 19,420,370	\$ 19,115,117	\$ 19,119,848
Contributions as a percentage of covered payroll	13.77%	13.24%	13.01%	12.87%	12.69%	12.68%	12.68%	12.68%	12.67%	12.68%

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, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability (asset)	3.132%	3.071%	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)	\$ 2,779,994	\$ (16,642,786)	\$ (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	\$ 25,337,194	\$ 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
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	10.972%	-67.131%	-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	97.600%	116.200%	106.700%	101.900%	95.200%	106.300%	98.210%	100.100%	106.800%	105.800%

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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 2,561,883	\$ 2,280,350	\$ 2,106,814	\$ 2,036,305	\$ 1,984,373	\$ 1,841,067	\$ 1,718,110	\$ 1,633,306	\$ 1,613,793	\$ 1,581,054
Contributions in relation to the contractually required contribution	<u>2,561,883</u>	<u>2,280,350</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 26,968,834	\$ 25,337,194	\$ 24,791,482	\$ 25,453,823	\$ 24,765,030	\$ 23,013,364	\$ 21,476,338	\$ 20,416,199	\$ 20,150,739	\$ 19,763,175
Contributions as a percentage of covered payroll	9.50%	9.00%	8.50%	8.00%	8.01%	8.00%	8.00%	8.00%	8.01%	8.00%

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, 2023

Measurement Period Ended December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability -									
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	3,351,125	3,685,353	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	-	(3,707,187)	-	(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	(5,052,974)	(5,185,230)	(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	(1,701,849)	(5,207,064)	(1,632,458)	773,722	(1,121,196)	(3,297,030)	(871,566)	1,727,302	(1,142,156)
Total pension liability - beginning	54,042,483	59,249,547	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>\$ 52,340,634</u>	<u>\$ 54,042,483</u>	<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	\$ 1,385,406	\$ 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	(3,478,378)	5,379,882	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	(5,052,974)	(5,185,230)	(5,416,523)	(5,457,839)	(5,510,499)	(5,543,482)	(5,571,276)	(5,721,421)	(5,789,929)
Administrative expense	(28,499)	(23,991)	(25,160)	(23,292)	(27,991)	(21,358)	(78,233)	(73,229)	(89,300)
Net change in plan fiduciary net position	(7,281,015)	1,556,067	474,115	1,449,348	(3,912,303)	2,633,134	(1,927,430)	(3,567,292)	(643,019)
Plan fiduciary net position - beginning	49,521,644	47,965,577	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>\$ 42,240,629</u>	<u>\$ 49,521,644</u>	<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)	\$ 10,100,005	\$ 4,520,839	\$ 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	80.70%	91.63%	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	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	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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,150,952	\$ 1,278,836	\$ 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>1,150,952</u>	<u>1,278,836</u>	<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>\$ -</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	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	N/A	N/A	1,727.05%

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

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, 2023

Measurement Period Ended December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability -									
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	2,580,555	2,893,877	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	-	(3,410,780)	-	932,801	-	(102,157)	-	(1,302,712)	-
Changes in assumptions	-	-	-	3,079,317	-	-	-	3,235,013	-
Benefit payments, including refunds of employee contributions	(4,316,394)	(4,290,877)	(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	(1,735,839)	(4,807,780)	(1,522,630)	2,645,772	(1,241,932)	(1,126,763)	(965,731)	814,683	(1,048,389)
Total pension liability - beginning	41,825,073	46,632,853	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>\$ 40,089,234</u>	<u>\$ 41,825,073</u>	<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	\$ 1,646,325	\$ 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	(2,381,963)	3,692,136	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	(4,316,394)	(4,290,877)	(4,508,516)	(4,609,831)	(4,579,672)	(4,451,570)	(4,464,644)	(4,552,205)	(4,561,272)
Administrative expense	(32,286)	(26,339)	(28,368)	(26,002)	(31,654)	(26,185)	(57,923)	(55,541)	(66,952)
Net change in plan fiduciary net position	(5,210,958)	1,021,245	171,461	788,492	(3,002,791)	1,739,523	(1,441,996)	(2,633,249)	(1,086,106)
Plan fiduciary net position - beginning	33,995,686	32,974,441	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>\$ 28,784,728</u>	<u>\$ 33,995,686</u>	<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)	\$ 11,304,506	\$ 7,829,387	\$ 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	71.80%	81.28%	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	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	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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,519,685	\$ 1,519,685	\$ 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>1,519,685</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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	N/A	N/A	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	N/A	N/A	1311.40%

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, 2023

	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net OPEB liability	0.246%	0.249%	0.247%	0.252%	0.258%	0.254%	0.246%
City's proportionate share of the net OPEB liability	\$ 2,004,745	\$ 2,150,098	\$ 2,347,883	\$ 2,826,922	\$ 3,510,198	\$ 3,300,984	\$ 3,189,474
City's covered payroll	\$ 24,945,019	\$ 23,875,625	\$ 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	8.037%	9.005%	10.208%	12.468%	16.097%	15.987%	16.428%
Plan fiduciary net position as a percentage of the total OPEB liability	38.570%	39.400%	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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 289,182	\$ 254,439	\$ 243,531	\$ 232,857	\$ 231,266	\$ 222,427	\$ 210,609	\$ 198,030
Contributions in relation to the contractually required contribution	<u>289,182</u>	<u>254,439</u>	<u>243,531</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>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 28,351,186	\$ 24,945,019	\$ 23,875,625	\$ 23,000,641	\$ 22,673,097	\$ 21,806,582	\$ 20,647,940	\$ 19,414,670
Contributions as a percentage of covered payroll	1.02%	1.02%	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, 2023

Measurement Period Ended December 31,	2023	2022	2021	2020	2019	2018
Total OPEB liability -						
Service cost	\$ 285,087	\$ 769,944	\$ 780,822	\$ 740,047	\$ 725,338	\$ 759,482
Interest	177,194	196,742	156,717	285,137	291,404	235,428
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(1,771,601)	-	(241,008)	-	-
Changes in assumptions	126,456	(3,280,537)	(242,389)	(1,383,690)	(215,658)	(358,105)
Benefit payments, including refunds of employee contributions	(50,793)	(74,411)	(46,309)	(88,672)	(61,219)	(33,697)
Net change in total OPEB liability	537,944	(4,159,863)	648,841	(688,186)	739,865	603,108
Total OPEB liability - beginning	<u>3,851,267</u>	<u>8,011,130</u>	<u>7,362,289</u>	<u>8,050,475</u>	<u>7,310,610</u>	<u>6,707,502</u>
Total OPEB liability - ending	<u>\$ 4,389,211</u>	<u>\$ 3,851,267</u>	<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	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	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, 2023

Measurement Period Ended December 31,	2023	2022	2021	2020	2019	2018
Total OPEB liability -						
Service cost	\$ 233,447	\$ 495,195	\$ 501,109	\$ 481,675	\$ 463,733	\$ 484,285
Interest	152,135	143,051	117,202	233,771	245,650	204,747
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(251,660)	-	(473,265)	-	-
Changes in assumptions	90,028	(2,804,276)	(156,439)	(1,165,035)	(110,846)	(265,058)
Benefit payments, including refunds of employee contributions	<u>(127,333)</u>	<u>(170,210)</u>	<u>(171,427)</u>	<u>(217,338)</u>	<u>(171,280)</u>	<u>(97,767)</u>
Net change in total OPEB liability	348,277	(2,587,900)	290,445	(1,140,192)	427,257	326,207
Total OPEB liability - beginning	<u>3,359,365</u>	<u>5,947,265</u>	<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>\$ 3,707,642</u>	<u>\$ 3,359,365</u>	<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	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	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.

Financial Section

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Supplementary Information

City of Pueblo, Colorado
Explanation of Funds
December 31, 2023

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; plastic pollution reduction fees assessed as part of the Plastic Pollution Reduction Act enacted by the State of Colorado in 2021 for the purpose of programs that address waste, litter, illegal dumping, recycling, composting, waste diversion program and outreach and education activities; 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, 2023

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.

Opioid Settlement – This fund is used to account for collection of revenues from settlement payments received from pharmaceutical companies and various distributors. Revenues collected from these companies and distributors is to be used to implement forward-looking strategies, programming, and services to abate the opioid epidemic, as well as reasonable administrative costs.

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.

Fire Stations Project – This fund accounts for revenues and expenditures relating to the construction of three new fire stations for the City of Pueblo. This project was financed by the issuance of certificates of participation in 2023. Initial construction begins in 2024, with anticipated completion during 2025.

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 financed purchases of governmental funds.

City of Pueblo, Colorado
Explanation of Funds (Cont'd.)
December 31, 2023

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, 2023

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, 2023

	Special Revenue					
	Inter- governmental	Special Charges	Stimulus Grants	Police Safety Tax	Southpointe Special District	Bandera Blvd. Special District
Assets						
Restricted cash and cash equivalents	\$ 377,957	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	11,605,842	7,970,539	-	-	113,467	43,261
Restricted investments	-	-	-	-	-	-
Taxes receivable, net	-	-	-	-	41,408	50,266
Due from other funds	-	1,410,569	79,614	1,926,612	751	234
Receivable from other governments	24,084	-	-	-	-	-
Other receivables	21,015	627,871	-	460,822	442	363
Property held for resale	-	-	305,445	-	-	-
Prepaid items	-	12,546	-	-	-	-
Total assets	\$ 12,028,898	\$ 10,021,525	\$ 385,059	\$ 2,387,434	\$ 156,068	\$ 94,124
Liabilities						
Accounts payable and accrued liabilities	\$ 323,984	\$ 527,504	\$ -	\$ 1,010,454	\$ 8,224	\$ 11,735
Due to other funds	121,261	6,963	-	-	-	-
Total liabilities	445,245	534,467	-	1,010,454	8,224	11,735
Deferred inflows of resources	-	-	-	-	41,408	50,266
Fund balances						
Nonspendable	-	12,546	-	-	-	-
Restricted	11,583,653	9,474,512	385,059	1,376,980	106,436	32,123
Assigned	-	-	-	-	-	-
Total fund balances	11,583,653	9,487,058	385,059	1,376,980	106,436	32,123
Total liabilities, deferred inflows of resources and fund balances	\$ 12,028,898	\$ 10,021,525	\$ 385,059	\$ 2,387,434	\$ 156,068	\$ 94,124

				Capital Projects			Total Nonmajor Governmental Funds
North Gateway BID	North Gateway PIF	Opioid Settlement	Other Special Revenue	Historic Arkansas River Project	Fire Station Project	Debt Service	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 377,957
-	-	-	66,410	-	-	-	19,799,519
-	-	-	-	-	34,507,808	-	34,507,808
-	-	-	-	-	-	-	91,674
17,721	21,113	210,370	314,513	169,544	-	4,000	4,155,041
-	-	-	-	-	-	-	24,084
26,794	39,057	13,083	3,315	-	-	-	1,192,762
-	-	-	-	-	-	-	305,445
-	-	-	-	-	-	-	12,546
<u>\$ 44,515</u>	<u>\$ 60,170</u>	<u>\$ 223,453</u>	<u>\$ 384,238</u>	<u>\$ 169,544</u>	<u>\$ 34,507,808</u>	<u>\$ 4,000</u>	<u>\$ 60,466,836</u>
\$ 42,898	\$ 60,170	\$ -	\$ 5,393	\$ -	\$ -	\$ 4,000	\$ 1,994,362
-	-	-	-	-	-	-	128,224
<u>42,898</u>	<u>60,170</u>	<u>-</u>	<u>5,393</u>	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>2,122,586</u>
-	-	-	-	-	-	-	91,674
-	-	-	-	-	-	-	12,546
1,617	-	223,453	15,440	169,544	34,507,808	-	57,876,625
-	-	-	363,405	-	-	-	363,405
<u>1,617</u>	<u>-</u>	<u>223,453</u>	<u>378,845</u>	<u>169,544</u>	<u>34,507,808</u>	<u>-</u>	<u>58,252,576</u>
<u>\$ 44,515</u>	<u>\$ 60,170</u>	<u>\$ 223,453</u>	<u>\$ 384,238</u>	<u>\$ 169,544</u>	<u>\$ 34,507,808</u>	<u>\$ 4,000</u>	<u>\$ 60,466,836</u>

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	Special Revenue					
	Inter- governmental	Special Charges	Stimulus Grants	Police Safety Tax	Southpointe Special District	Bandera Blvd. Special District
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 32,337	\$ 39,249
Sales and miscellaneous taxes	-	3,037,007	-	4,810,461	2,909	3,528
Intergovernmental	6,169,950	-	-	-	-	-
Charges for services	-	3,063,829	-	-	-	-
Investment earnings (losses)	556,507	371,915	-	-	6,004	2,248
Opioid settlement funds	-	-	-	-	-	-
Other revenues	1,000	-	-	780	-	-
Total revenues	6,727,457	6,472,751	-	4,811,241	41,250	45,025
Expenditures						
Current						
Public safety	42,563	336,140	-	3,988,485	-	-
Public works	1,294,009	-	-	-	-	-
Parks and recreation	215,953	-	-	-	43,068	40,155
Culture and community welfare	-	3,037,007	-	-	-	-
Debt service						
Principal	-	-	-	(8,048)	-	-
Interest and other charges	-	-	-	8,048	-	-
Capital outlay	696,741	449,271	-	2,834,772	-	-
Total expenditures	2,249,266	3,822,418	-	6,823,257	43,068	40,155
Excess (deficiency) of revenues over (under) expenditures	4,478,191	2,650,333	-	(2,012,016)	(1,818)	4,870
Other financing sources (uses)						
Issuance of debt	-	-	-	-	-	-
Premium on issued debt	-	-	-	-	-	-
Transfers in	12,000	-	-	-	-	-
Transfers out	(3,064,834)	(842,000)	-	(215,386)	-	-
Total other financing sources (uses)	(3,052,834)	(842,000)	-	(215,386)	-	-
Change in fund balances	1,425,357	1,808,333	-	(2,227,402)	(1,818)	4,870
Fund balance at beginning of year	10,158,296	7,678,725	385,059	3,604,382	108,254	27,253
Fund balance at end of year	\$ 11,583,653	\$ 9,487,058	\$ 385,059	\$ 1,376,980	\$ 106,436	\$ 32,123

				Capital Projects			Total
North Gateway BID	North Gateway PIF	Opioid Settlement	Other Special Revenue	Historic Arkansas River Project	Fire Station Project	Debt Service	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,586
203,218	-	-	-	-	-	-	8,057,123
-	-	-	-	-	-	-	6,169,950
-	297,243	-	-	-	-	-	3,361,072
-	-	-	3,345	-	57,808	20	997,847
-	-	-	78,115	-	-	-	78,115
-	-	78,115	60,948	-	-	-	140,843
203,218	297,243	78,115	142,408	-	57,808	20	18,876,536
-	-	55,000	-	-	-	-	4,422,188
193,058	282,382	-	-	-	-	-	1,769,449
-	-	-	256,165	-	-	-	555,341
-	-	-	-	-	-	-	3,037,007
-	-	-	-	-	-	3,509,629	3,501,581
-	-	-	-	-	641,978	56,185	706,211
-	-	-	4,000	-	-	-	3,984,784
193,058	282,382	55,000	260,165	-	641,978	3,565,814	17,976,561
10,160	14,861	23,115	(117,757)	-	(584,170)	(3,565,794)	899,975
-	-	-	-	-	32,020,000	-	32,020,000
-	-	-	-	-	3,071,978	-	3,071,978
-	-	-	139,941	-	-	3,565,794	3,717,735
(10,160)	(14,861)	-	-	-	-	-	(4,147,241)
(10,160)	(14,861)	-	139,941	-	35,091,978	3,565,794	34,662,472
-	-	23,115	22,184	-	34,507,808	-	35,562,447
1,617	-	200,338	356,661	169,544	-	-	22,690,129
\$ 1,617	\$ -	\$ 223,453	\$ 378,845	\$ 169,544	\$ 34,507,808	\$ -	\$ 58,252,576

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, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES			
Intergovernmental	\$ 5,675,485	\$ 6,169,950	\$ 494,465
Investment earnings (losses)	20,000	556,507	536,507
Transfers in	12,000	12,000	-
TOTAL REVENUES	<u>5,707,485</u>	<u>6,739,457</u>	<u>1,031,972</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	11,509,896	2,249,266	9,260,630
Transfers out	3,063,469	3,064,834	(1,365)
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>14,573,365</u>	<u>5,314,100</u>	<u>9,259,265</u>
NET CHANGE IN FUND BALANCE	(8,865,880)	1,425,357	10,291,237
FUND BALANCE, January 1	<u>8,865,880</u>	<u>10,158,296</u>	<u>1,292,416</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 11,583,653</u>	<u>\$ 11,583,653</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, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES			
Charges for services	\$ 2,470,000	\$ 3,063,829	\$ 593,829
Sales and miscellaneous taxes	3,167,247	3,037,007	(130,240)
Investment earnings (losses)	25,000	371,915	346,915
TOTAL REVENUES	<u>5,662,247</u>	<u>6,472,751</u>	<u>810,504</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	5,827,529	3,822,418	2,005,111
Transfers out	842,000	842,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>6,669,529</u>	<u>4,664,418</u>	<u>2,005,111</u>
NET CHANGE IN FUND BALANCE	(1,007,282)	1,808,333	2,815,615
FUND BALANCE, January 1	<u>1,007,282</u>	<u>7,678,725</u>	<u>6,671,443</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 9,487,058</u>	<u>\$ 9,487,058</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, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES			
Charges for services	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	29,200	-	29,200
TOTAL EXPENDITURES AND OTHER FINANCING USES	29,200	-	29,200
NET CHANGE IN FUND BALANCE	(29,200)	-	29,200
FUND BALANCE, January 1	29,200	79,615	50,415
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, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES			
Sales and miscellaneous taxes	\$ 5,016,755	\$ 4,810,461	\$ (206,294)
Other revenues	<u>-</u>	<u>780</u>	<u>780</u>
TOTAL REVENUES	<u>5,016,755</u>	<u>4,811,241</u>	<u>(205,514)</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	3,873,054	3,988,485	(115,431)
Capital outlay	4,657,841	2,834,772	1,823,069
Debt service	653,736	-	653,736
Transfers out	<u>215,386</u>	<u>215,386</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>9,400,017</u>	<u>7,038,643</u>	<u>2,361,374</u>
NET CHANGE IN FUND BALANCE	(4,383,262)	(2,227,402)	2,155,860
FUND BALANCE, January 1	<u>4,383,262</u>	<u>3,604,382</u>	<u>(778,880)</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 1,376,980</u>	<u>\$ 1,376,980</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, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES			
Property and other taxes	\$ 32,806	\$ 35,246	\$ 2,440
Investment earnings (losses)	-	6,004	6,004
TOTAL REVENUES	<u>32,806</u>	<u>41,250</u>	<u>8,444</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	<u>102,929</u>	<u>43,068</u>	<u>59,861</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>102,929</u>	<u>43,068</u>	<u>59,861</u>
NET CHANGE IN FUND BALANCE	(70,123)	(1,818)	68,305
FUND BALANCE, January 1	<u>70,123</u>	<u>108,254</u>	<u>38,131</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 106,436</u>	<u>\$ 106,436</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, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES			
Property and other taxes	\$ 39,805	\$ 42,777	\$ 2,972
Investment earnings (losses)	-	2,248	2,248
TOTAL REVENUES	<u>39,805</u>	<u>45,025</u>	<u>5,220</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	<u>58,832</u>	<u>40,155</u>	<u>18,677</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>58,832</u>	<u>40,155</u>	<u>18,677</u>
NET CHANGE IN FUND BALANCE	(19,027)	4,870	23,897
FUND BALANCE, January 1	<u>19,027</u>	<u>27,253</u>	<u>8,226</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 32,123</u>	<u>\$ 32,123</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, 2023

	Budgeted Amounts <u>Final</u>	Actual Budget Basis <u> </u>	Variance With Final Budget <u> </u>
REVENUES			
Sales and miscellaneous taxes	\$ 231,781	\$ 203,218	\$ (28,563)
TOTAL REVENUES	<u>231,781</u>	<u>203,218</u>	<u>(28,563)</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	220,192	193,058	27,134
Transfers out	<u>11,589</u>	<u>10,160</u>	<u>1,429</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>231,781</u>	<u>203,218</u>	<u>28,563</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, January 1	<u>-</u>	<u>1,617</u>	<u>1,617</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 1,617</u>	<u>\$ 1,617</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, 2023

	Budgeted Amounts <u>Final</u>	Actual Budget Basis	Variance With Final Budget
REVENUES			
Charges for services	\$ 297,250	\$ 297,243	\$ (7)
TOTAL REVENUES	<u>297,250</u>	<u>297,243</u>	<u>(7)</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	283,500	282,382	1,118
Transfers out	<u>13,750</u>	<u>14,861</u>	<u>(1,111)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>297,250</u>	<u>297,243</u>	<u>7</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
Opioid Settlement
Year Ended December 31, 2023

	Budgeted Amounts <u>Final</u>	Actual Budget Basis <u></u>	Variance With Final Budget <u></u>
REVENUES			
Other revenues	\$ 200,338	\$ 78,115	\$ (122,223)
TOTAL REVENUES	<u>200,338</u>	<u>78,115</u>	<u>(122,223)</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	<u>-</u>	<u>55,000</u>	<u>(55,000)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>55,000</u>	<u>(55,000)</u>
NET CHANGE IN FUND BALANCE	200,338	23,115	(177,223)
FUND BALANCE, January 1	<u>(200,338)</u>	<u>200,338</u>	<u>400,676</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 223,453</u>	<u>\$ 223,453</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, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES			
Contributions/donations	\$ 156,000	\$ 139,063	\$ (16,937)
Investment earnings (losses)	600	3,345	2,745
Transfers in	130,000	139,941	9,941
TOTAL REVENUES	<u>286,600</u>	<u>282,349</u>	<u>(4,251)</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	462,524	256,165	206,359
Capital outlay	<u>-</u>	<u>4,000</u>	<u>(4,000)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>462,524</u>	<u>260,165</u>	<u>202,359</u>
NET CHANGE IN FUND BALANCE	(175,924)	22,184	198,108
FUND BALANCE, January 1	<u>175,924</u>	<u>356,661</u>	<u>180,737</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 378,845</u>	<u>\$ 378,845</u>

See accompanying Independent Auditor's Report.

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Capital Projects Funds

City of Pueblo, Colorado
Budgetary Comparison Schedule
Public Improvements Fund
Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budget Basis	Final Budget
REVENUES AND OTHER				
FINANCING SOURCES				
Intergovernmental	\$ 467,900	\$ 8,519,865	\$ 16,398,351	\$ 7,878,486
Investment earnings (losses)	-	1,481,328	1,481,328	-
Other revenue	-	150,127	234,742	84,615
Transfer in	22,266,311	26,758,752	26,732,502	(26,250)
TOTAL REVENUES AND				
OTHER FINANCING SOURCES	22,734,211	36,910,072	44,846,923	7,936,851
EXPENDITURES AND OTHER				
FINANCING USES				
Current -				
Programs/projects	14,187,402	81,862,389	22,754,281	59,108,108
Capital outlay	8,668,000	16,261,272	13,617,826	2,643,446
Transfers out	-	503,925	477,675	26,250
TOTAL EXPENDITURES AND				
OTHER FINANCING USES	22,855,402	98,627,586	36,849,782	61,777,804
NET CHANGE IN FUND BALANCE	(121,191)	(61,717,514)	7,997,141	69,714,655
FUND BALANCE, January 1	121,191	61,717,514	19,191,204	42,526,310
FUND BALANCE, December 31	\$ -	\$ -	\$ 27,188,345	\$ 112,240,965
Adjustment from budgetary basis to generally accepted accounting principles				
Deferred inflows of resources related to grants			(1,452,406)	
Fund balance - generally accepted accounting principles			\$ 25,735,939	

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, 2023

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	\$ 44,846,923
Differences - budget to GAAP	
Deferred inflows of resources related to grants	<u>(2,140,434)</u>
GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 42,706,489</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, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES			
Investment earnings (losses)	\$ -	\$ 20	\$ 20
Transfers in	3,569,319	3,565,794	(3,525)
TOTAL REVENUES	3,569,319	3,565,814	(3,505)
EXPENDITURES AND OTHER FINANCING USES			
Debt service -			
Principal	3,509,633	3,509,629	4
Interest and fiscal charges	59,686	56,185	3,501
TOTAL EXPENDITURES AND OTHER FINANCING USES	3,569,319	3,565,814	3,505
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, 2023

Business-type Activities - Enterprise Funds

	Street Repair	Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	Total
Assets						
Current assets						
Cash and cash equivalents	\$ -	\$ -	\$ 800	\$ -	\$ 509,905	\$ 510,705
Accounts receivable, net	-	68,720	290,773	861	22,068	382,422
Leases receivable	-	151,856	87,026	-	-	238,882
Due from other funds	1,323,546	-	1,129,789	700,655	-	3,153,990
Due from other governments	-	-	4,228,898	-	-	4,228,898
Other receivables	-	865	211	-	-	1,076
Prepaid expenses	-	-	-	-	34,102	34,102
Inventories	-	-	351,517	-	-	351,517
Total current assets	1,323,546	221,441	6,089,014	701,516	566,075	8,901,592
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	3,303,902	3,261,974	11,360,862	18,283,785
Machinery and equipment	-	185,140	9,618,771	198,261	-	10,002,172
Less accumulated depreciation	-	(651,841)	(9,351,395)	(2,203,210)	(2,447,729)	(14,654,175)
Construction in progress	283,179	-	-	-	-	283,179
Intangibles	5,321	-	1,478	-	-	6,799
Artworks	-	-	8,823	-	-	8,823
Total capital assets	288,500	2,170,450	4,457,846	4,011,912	8,913,133	19,841,841
Total noncurrent assets	288,500	2,170,450	4,457,846	4,011,912	8,913,133	19,841,841
Total assets	1,612,046	2,391,891	10,546,860	4,713,428	9,479,208	28,743,433
Deferred outflows of resources						
OPEB-related	-	-	-	724	-	724
Pension-related	-	-	-	25,463	-	25,463
Total deferred outflows of resources	-	-	-	26,187	-	26,187
Liabilities						
Current liabilities						
Accounts payable	49,954	44,406	148,368	9,446	150,406	402,580
Accrued expenses	-	-	161,884	880	-	162,764
Due to other funds	-	945,097	6,649,159	-	980,676	8,574,932
Advances from others	-	-	-	-	354,143	354,143
Compensated absences	-	-	24,381	-	-	24,381
Total current liabilities	49,954	989,503	6,983,792	10,326	1,485,225	9,518,800
Noncurrent liabilities						
Compensated absences	-	-	219,431	-	-	219,431
Advance from other funds	-	747,000	-	-	-	747,000
Net OPEB liability	-	-	-	3,062	-	3,062
Net pension liability	-	-	-	47,108	-	47,108
Total noncurrent liabilities	-	747,000	219,431	50,170	-	1,016,601
Total liabilities	49,954	1,736,503	7,203,223	60,496	1,485,225	10,535,401
Deferred inflows of resources						
OPEB-related	-	-	-	1,259	-	1,259
Pension-related	-	-	-	1,164	-	1,164
Leases	-	148,366	86,524	-	-	234,890
Total deferred inflows of resources	-	148,366	86,524	2,423	-	237,313
Net position						
Net investment in capital assets	260,104	2,170,450	4,457,846	4,011,912	8,913,133	19,813,445
Unrestricted	1,301,988	(1,663,428)	(1,200,733)	664,784	(919,150)	(1,816,539)
Total net position	\$ 1,562,092	\$ 507,022	\$ 3,257,113	\$ 4,676,696	\$ 7,993,983	\$ 17,996,906

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, 2023

Business-type Activities - Enterprise Funds

	Street Repair	Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	Total
Operating revenues						
Charges for services	\$ -	\$ 46,224	\$ 515,210	\$ 133,445	\$ 1,825,092	\$ 2,519,971
Other revenues	96	-	339,958	-	2,200	342,254
Total operating revenues	96	46,224	855,168	133,445	1,827,292	2,862,225
Operating expenses						
Personnel services	-	-	-	55,149	-	55,149
Contractual services	-	5,711	4,718,166	171,006	1,758,683	6,653,566
Utilities	-	32,386	550,321	45,398	152,196	780,301
Repairs and maintenance	-	16,724	387,732	8,912	9,220	422,588
Other supplies and expenses	-	4,883	334,340	258,573	183,857	781,653
Depreciation	-	40,051	626,122	92,275	223,641	982,089
Total operating expenses	-	99,755	6,616,681	631,313	2,327,597	9,675,346
Operating loss	96	(53,531)	(5,761,513)	(497,868)	(500,305)	(6,813,121)
Nonoperating revenues (expenses)						
Investment earnings	-	1,756	1,536	-	-	3,292
Operating grants and contributions	24	-	1,738,834	-	-	1,738,858
Gain (loss) on disposal of capital assets	-	-	2,606	-	-	2,606
Total nonoperating revenues (expenses)	24	1,756	1,742,976	-	-	1,744,756
Income (loss) before capital contributions and transfers	120	(51,775)	(4,018,537)	(497,868)	(500,305)	(5,068,365)
Capital contributions	-	-	2,736,953	-	-	2,736,953
Transfers in	-	12,136	1,815,144	408,406	276,664	2,512,350
Changes in net position	120	(39,639)	533,560	(89,462)	(223,641)	180,938
Net position at beginning of year	1,561,972	546,661	2,723,553	4,766,158	8,217,624	17,815,968
Net position at end of year	\$ 1,562,092	\$ 507,022	\$ 3,257,113	\$ 4,676,696	\$ 7,993,983	\$ 17,996,906

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year-Ended December 31, 2023

	Street Repair	Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	Total
Cash flows from operating activities						
Cash received from customers	\$ 96	\$ 25,094	\$ (1,202,679)	\$ 134,171	\$ 1,824,695	\$ 781,377
Cash payments to suppliers	21,558	(57,158)	(5,985,760)	(526,895)	(2,029,672)	(8,577,927)
Cash payments to employees	-	-	36,117	(57,963)	-	(21,846)
Receipts for interfund services	-	-	2,441,782	-	25,696	2,467,478
(Payments) advances for interfund services	238,426	18,172	-	42,281	-	298,879
Net cash flows from operating activities	260,080	(13,892)	(4,710,540)	(408,406)	(179,281)	(5,052,039)
Cash flows from non-capital financing activities						
Transfers in	-	12,136	1,815,144	408,406	276,664	2,512,350
Receipts (payments) from fund advance	-	-	-	-	(84,115)	(84,115)
Operating grants received	24	-	1,738,834	-	-	1,738,858
Net cash flows from non-capital financing activities	24	12,136	3,553,978	408,406	192,549	4,167,093
Cash flows from capital and related financing activities						
Proceeds from the sale of capital assets	-	-	2,606	-	-	2,606
Acquisitions of capital assets	(260,104)	-	(1,584,533)	-	-	(1,844,637)
Capital contributions received	-	-	2,736,953	-	-	2,736,953
Net cash flows from capital and related financing activities	(260,104)	-	1,155,026	-	-	894,922
Cash flows from investing activities						
Interest earnings	-	1,756	1,536	-	-	3,292
Net cash flows from investing activities	-	1,756	1,536	-	-	3,292
Net increase (decrease) in cash and cash equivalents	-	-	-	-	13,268	13,268
Cash and cash equivalents at beginning of year	-	-	800	-	496,637	497,437
Cash and cash equivalents at end of year	\$ -	\$ -	\$ 800	\$ -	\$ 509,905	\$ 510,705
Reconciliation of operating loss to net cash flows from operating activities						
Operating loss	\$ 96	\$ (53,531)	\$ (5,761,513)	\$ (497,868)	\$ (500,305)	\$ (6,813,121)
Adjustments to reconcile operating loss to net cash flows from operating activities:						
Depreciation	-	40,051	626,122	92,275	223,641	982,089
(Increase) decrease in operating assets:						
Accounts receivable	-	55,692	(2,144,371)	726	(2,597)	(2,090,550)
Due from other funds	-	-	-	42,281	-	42,281
Prepaid items	-	-	-	-	(6,850)	(6,850)
Inventories	-	-	50,446	-	-	50,446
Increase (decrease) in operating liabilities:						
Accounts payable and accrued expenses	21,558	2,546	(9,530)	(43,006)	81,134	52,702
Due to other funds	238,426	18,172	2,441,782	-	25,696	2,724,076
Lease related deferred inflows of resources	-	(76,822)	86,524	-	-	9,702
Net OPEB liability and related deferred inflows and outflows of resources	-	-	-	(360)	-	(360)
Net pension liability and related deferred inflows and outflows of resources	-	-	-	(2,454)	-	(2,454)
Net cash flows from operating activities	\$ 260,080	\$ (13,892)	\$ (4,710,540)	\$ (408,406)	\$ (179,281)	(5,052,039)
Schedule of noncash investing, capital and financing activities						
Capital assets acquired with accounts payable	\$ 28,396	\$ -	\$ -	\$ -	\$ -	\$ 28,396

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, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES AND OTHER			
FINANCING SOURCES			
Charges for services	\$ 2,799,529	\$ 2,886,373	\$ 86,844
Other revenues	<u>-</u>	<u>13,338</u>	<u>13,338</u>
 TOTAL REVENUES	 <u>2,799,529</u>	 <u>2,899,711</u>	 <u>100,182</u>
EXPENDITURES AND OTHER			
FINANCING USES			
Current -			
Personnel services	112,157	104,525	7,632
Contractual services	1,104,702	1,102,769	1,933
Utilities	500,000	536,690	(36,690)
Repairs and maintenance	600,699	379,124	221,575
Other supplies and expenses	410,447	409,394	1,053
Capital outlay	301,714	127,235	174,479
Debt Service -			
Principal	185,325	182,419	2,906
Interest and fees	<u>9,414</u>	<u>98,913</u>	<u>(89,499)</u>
 TOTAL EXPENDITURES AND OTHER FINANCING USES	 <u>3,224,458</u>	 <u>2,941,069</u>	 <u>283,389</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ (424,929)</u>	 <u>\$ (41,358)</u>	 <u>\$ 383,571</u>

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, 2023

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	\$ 2,899,711
Differences - budget to GAAP	
Lease recognition adjustments	<u>(1,760)</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	\$ <u>2,897,951</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	\$ 2,941,069
Differences - Budget to GAAP	
Depreciation expense	444,756
Capital outlay	(127,235)
Principal payments	(182,419)
Pension and OPEB adjustments	(12,092)
Change in accrued interest	<u>(8,305)</u>

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	\$ <u>3,055,774</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
Sewer User
Year Ended December 31, 2023

	<u>Original</u>	<u>Budgeted Amounts Final</u>	<u>Actual Budget Basis</u>	<u>Variance With Final Budget</u>
REVENUES				
Charges for services and other operating revenue	\$ 30,255,697	\$ 30,255,697	\$ 32,490,759	\$ 2,235,062
Investment earnings (losses)	<u>250,000</u>	<u>250,000</u>	<u>3,974,302</u>	<u>3,724,302</u>
TOTAL REVENUES	<u>30,505,697</u>	<u>30,505,697</u>	<u>36,465,061</u>	<u>5,959,364</u>
EXPENDITURES AND OTHER				
FINANCING USES				
Current -				
Personnel services	6,298,624	6,298,624	5,385,127	913,497
Contractual services	2,256,121	3,228,479	2,127,220	1,101,259
Utilities	883,800	885,500	1,017,362	(131,862)
Repairs and maintenance	10,541,621	48,549,138	6,654,132	41,895,006
Other supplies and expenses	1,219,989	15,906	770,057	(754,151)
Capital outlay	6,924,345	7,095,520	574,509	6,521,011
Debt Service -				
Principal	1,992,253	1,992,253	1,985,666	6,587
Interest and fees	<u>388,944</u>	<u>388,944</u>	<u>388,941</u>	<u>3</u>
TOTAL EXPENDITURES AND				
OTHER FINANCING USES	<u>30,505,697</u>	<u>68,454,364</u>	<u>18,903,014</u>	<u>49,551,350</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (37,948,667)</u>	<u>\$ 17,562,047</u>	<u>\$ 55,510,714</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, 2023

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	\$ 36,465,061
Differences - budget to GAAP	
Change in the allowance for uncollectible accounts	<u>26</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	\$ <u>36,465,087</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	\$ 18,903,014
Differences - Budget to GAAP	
Depreciation expense	2,168,787
Capital outlay	(574,509)
Principal payments	(1,985,666)
Pension and OPEB adjustments	(480,887)
Change in accrued compensated absences	14,813
Change in accrued interest	<u>(98,559)</u>

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	\$ <u>17,946,993</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
Stormwater Utility
Year Ended December 31, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES			
Charges for services and other operating revenue	\$ 4,900,000	\$ 5,119,024	\$ 219,024
Investment earnings (losses)	<u>100,000</u>	<u>1,111,834</u>	<u>1,011,834</u>
TOTAL REVENUES	<u>5,000,000</u>	<u>6,230,858</u>	<u>1,230,858</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	2,592,869	1,889,588	703,281
Contractual services	857,404	707,506	149,898
Utilities	113,400	124,030	(10,630)
Repairs and maintenance	690,500	712,037	(21,537)
Other supplies and expenses	9,241,654	78,004	9,163,650
Capital outlay	3,979,834	599,777	3,380,057
Debt Service -			
Principal	305,109	305,109	-
Interest and fees	139,448	139,447	1
Transfers out	<u>12,000</u>	<u>12,000</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>17,932,218</u>	<u>4,567,498</u>	<u>13,364,720</u>
NET CHANGE IN FUND BALANCE	<u>\$ (12,932,218)</u>	<u>\$ 1,663,360</u>	<u>\$ 14,595,578</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, 2023

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	\$ 6,230,858
Differences - budget to GAAP	
Gain on disposal of capital assets	22,723
Change in the allowance for uncollectible accounts	491

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	\$ <u>6,254,072</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	\$ 4,567,498
Differences - Budget to GAAP	
Depreciation expense	898,829
Capital outlay	(599,777)
Principal payments	(305,109)
Pension and OPEB adjustments	23,041
Change in accrued compensated absences	17,666
Change in accrued interest	(13,071)

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	\$ <u>4,589,077</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, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES			
Charges for services and other operating revenue	\$ 687,985	\$ 697,874	\$ 9,889
Intergovernmental	10,280,867	872,043	(9,408,824)
Investment earnings (losses)	-	11,317	11,317
Transfers in	1,632,004	828,966	(803,038)
TOTAL REVENUES	<u>12,600,856</u>	<u>2,410,200</u>	<u>(10,190,656)</u>
EXPENDITURES AND OTHER			
FINANCING USES			
Current -			
Personnel services	1,356,014	1,247,708	108,306
Contractual services	231,427	230,976	451
Utilities	421,042	415,515	5,527
Repairs and maintenance	10,625,938	137,686	10,488,252
Other supplies and expenses	254,035	315,247	(61,212)
Capital outlay	2,428,757	-	2,428,757
Transfers out	322,600	-	322,600
TOTAL EXPENDITURES AND			
OTHER FINANCING USES	<u>15,639,813</u>	<u>2,347,132</u>	<u>13,292,681</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,038,957)</u>	<u>\$ 63,068</u>	<u>\$ 3,102,025</u>

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, 2023

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	\$ 2,410,200
Differences - budget to GAAP	
Change in the allowance for uncollectible accounts	<u>(47,840)</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 2,362,360</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	\$ 2,347,132
Differences - Budget to GAAP	
Depreciation expense	1,791,681
Pension and OPEB adjustments	(49,520)
Change in accrued compensated absences	<u>9,707</u>

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u>\$ 4,099,000</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, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES			
Charges for services and other operating revenue	\$ -	\$ 96	\$ 96
Other revenue	-	24	24
TOTAL REVENUES	-	120	120
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Repairs and maintenance	1,601,788	-	1,601,788
Capital outlay	36,722	288,500	(251,778)
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,638,510	288,500	1,350,010
NET CHANGE IN FUND BALANCE	\$ (1,638,510)	\$ (288,380)	\$ 1,350,130

See accompanying Independent Auditor's Report.

City of Pueblo, Colorado
Reconciliation of the Budgetary Basis of Accounting
To GAAP Basis of Accounting
Street Repair Fund
Year Ended December 31, 2023

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	\$ 288,500
Differences - Budget to GAAP Capital outlay	<u>(288,500)</u>

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</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
Honor Farm Fund
Year Ended December 31, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES			
Charges for services and other operating revenue	\$ 93,320	\$ 47,569	\$ (45,751)
Transfers in	41,578	12,136	(29,442)
TOTAL REVENUES	<u>134,898</u>	<u>59,705</u>	<u>(75,193)</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Contractual services	5,711	5,711	-
Utilities	26,500	32,386	(5,886)
Repairs and maintenance	79,789	16,724	63,065
Other supplies and expenses	22,898	4,883	18,015
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>134,898</u>	<u>59,704</u>	<u>75,194</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</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, 2023

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	\$ 59,705
Differences - budget to GAAP	
Lease recognition adjustments	<u>411</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 60,116</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	\$ 59,704
Differences - Budget to GAAP	
Depreciation expense	<u>40,051</u>

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u>\$ 99,755</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
Transportation Services Fund
Year Ended December 31, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES			
Charges for services and other operating revenue	\$ 1,070,230	\$ 805,859	\$ (264,371)
Intergovernmental	3,037,114	4,475,787	1,438,673
Transfers in	3,010,224	1,815,144	(1,195,080)
TOTAL REVENUES	<u>7,117,568</u>	<u>7,096,790</u>	<u>(20,778)</u>
EXPENDITURES AND OTHER			
FINANCING USES			
Current -			
Personnel services	3,888,559	3,208,618	679,941
Contractual services	1,544,296	1,473,431	70,865
Utilities	537,906	548,865	(10,959)
Repairs and maintenance	462,851	387,732	75,119
Other supplies and expenses	955,829	335,796	620,033
Capital outlay	<u>3,775,240</u>	<u>1,584,532</u>	<u>2,190,708</u>
TOTAL EXPENDITURES AND			
OTHER FINANCING USES	<u>11,164,681</u>	<u>7,538,974</u>	<u>3,625,707</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,047,113)</u>	<u>\$ (442,184)</u>	<u>\$ 3,604,929</u>

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, 2023

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	\$ 7,096,790
Differences - budget to GAAP	
Gain on disposal of capital assets	2,606
Lease recognition adjustments	713
Change in the allowance for uncollectible accounts	<u>50,132</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 7,150,241</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	\$ 7,538,974
Differences - Budget to GAAP	
Depreciation expense	626,122
Capital outlay	(1,584,532)
Change in accrued compensated absences	<u>36,117</u>

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u>\$ 6,616,681</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, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES			
Charges for services and other operating revenue	\$ 136,000	\$ 133,445	\$ (2,555)
Transfers in	220,601	408,406	187,805
TOTAL REVENUES	<u>356,601</u>	<u>541,851</u>	<u>185,250</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	148,769	57,963	90,806
Contractual services	219,553	171,006	48,547
Utilities	57,909	45,398	12,511
Repairs and maintenance	130,776	8,912	121,864
Other supplies and expenses	350,449	258,573	91,876
Capital outlay	15,076	-	15,076
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>922,532</u>	<u>541,852</u>	<u>380,680</u>
NET CHANGE IN FUND BALANCE	<u>\$ (565,931)</u>	<u>\$ (1)</u>	<u>\$ 565,930</u>

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, 2023

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	\$ 541,852
Differences - Budget to GAAP	
Depreciation expense	92,275
Pension and OPEB adjustments	<u>(2,814)</u>
GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u>\$ 631,313</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, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES			
Charges for services and other operating revenue	\$ 1,726,718	\$ 1,827,292	\$ 100,574
Transfers in	378,111	276,664	(101,447)
TOTAL REVENUES	<u>2,104,829</u>	<u>2,103,956</u>	<u>(873)</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Contractual services	1,954,829	1,758,683	196,146
Utilities	150,000	152,196	(2,196)
Repairs and maintenance	-	9,220	(9,220)
Other supplies and expenses	<u>-</u>	<u>183,857</u>	<u>(183,857)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>2,104,829</u>	<u>2,103,956</u>	<u>873</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, 2023

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	\$ 2,103,956
Differences - Budget to GAAP	
Depreciation expense	<u>223,641</u>
GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u><u>\$ 2,327,597</u></u>

See accompanying Independent Auditor's Report.

Internal Service Funds

City of Pueblo, Colorado
Combining Statement of Net Position
Internal Service Funds
December 31, 2023

	Internal Service Fund	Pueblo Transit	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 200	\$ -	\$ 200
Restricted cash and cash equivalents	5,657,490	-	5,657,490
Accounts receivable, net	1,011,686	-	1,011,686
Due from other funds	6,149,248	-	6,149,248
Inventories	262,926	-	262,926
Prepaid items	249,189	-	249,189
Total current assets	13,330,739	-	13,330,739
Noncurrent Assets			
Capital Assets			
Buildings	1,036,366	-	1,036,366
Machinery and equipment	1,019,747	-	1,019,747
Less accumulated depreciation	(1,341,644)	-	(1,341,644)
Construction in progress	61,309	-	61,309
Total noncurrent assets	775,778	-	775,778
Total assets	14,106,517	-	14,106,517
Deferred outflows of resources			
OPEB-related	10,994	34,572	45,566
Pension-related	387,146	1,191,196	1,578,342
Total deferred outflows of resources	398,140	1,225,768	1,623,908
Liabilities			
Current liabilities			
Accounts payable	1,574,047	-	1,574,047
Due to other funds	687,186	-	687,186
Compensated absences	7,027	-	7,027
Claims and judgments	1,656,172	-	1,656,172
Total current liabilities	3,924,432	-	3,924,432
Noncurrent liabilities			
Compensated absences	63,243	-	63,243
Claims and judgments	292,266	-	292,266
Net OPEB liability	46,549	146,380	192,929
Net pension liability	716,231	2,203,744	2,919,975
Total noncurrent liabilities	1,118,289	2,350,124	3,468,413
Total liabilities	5,042,721	2,350,124	7,392,845
Deferred inflows of resources			
OPEB-related	19,141	60,191	79,332
Pension-related	17,703	54,470	72,173
Total deferred inflows of resources	36,844	114,661	151,505
Net position			
Net investment in capital assets	775,778	-	775,778
Unrestricted	8,649,314	(1,239,017)	7,410,297
Total net position	\$ 9,425,092	\$ (1,239,017)	\$ 8,186,075

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, 2023

	Internal Service Fund	Pueblo Transit	Total
Operating revenues			
Charges for services	\$ 18,175,877	\$ 3,239,605	\$ 21,415,482
Other operating revenues	1,449,661	-	1,449,661
Total operating revenues	19,625,538	3,239,605	22,865,143
Operating expenses			
Personnel services	896,381	2,931,527	3,827,908
Contractual services	29,628	-	29,628
Utilities	79,345	-	79,345
Repairs and maintenance	79,600	-	79,600
Other supplies and expenses	1,992,857	-	1,992,857
Insurance claims expenses	16,934,249	-	16,934,249
Depreciation	95,117	-	95,117
Total operating expenses	20,107,177	2,931,527	23,038,704
Operating income (loss)	(481,639)	308,078	(173,561)
Net income (loss) before transfers	(481,639)	308,078	(173,561)
Transfers in	1,100,000	-	1,100,000
Change in net position	618,361	308,078	926,439
Net position at beginning of year	8,806,731	(1,547,095)	7,259,636
Net position at end of year	\$ 9,425,092	\$ (1,239,017)	\$ 8,186,075

See accompanying Independent Auditor's Report.

City of Pueblo
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2023

	Internal Service Fund	Pueblo Transit	Total
Cash flows from operating activities			
Cash received from customers	\$ 18,692,259	\$ 3,239,605	\$ 21,931,864
Cash payments to suppliers	(18,908,806)	-	(18,908,806)
Cash payments to employees	(1,017,902)	(3,239,605)	(4,257,507)
(Payments) advances for interfund services	(8,774)	-	(8,774)
Net cash flows from operating activities	(1,243,223)	-	(1,243,223)
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			
Acquisitions of capital assets	(227,468)	-	(227,468)
Net cash flows from capital and related financing activities	(227,468)	-	(227,468)
Net increase (decrease) in cash and cash equivalents	(370,691)	-	(370,691)
Cash and cash equivalents at beginning of year	6,028,381	-	6,028,381
Cash and cash equivalents at end of year	5,657,690	-	5,657,690
Reported in the accompanying statement of net position as follows:			
Cash and cash equivalents	\$ 200	\$ -	\$ 200
Restricted cash and cash equivalents	5,657,490	-	5,657,490
	\$ 5,657,690	\$ -	\$ 5,657,690

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

Operating income (loss)	\$ (481,639)	\$ 308,078	\$ (173,561)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	95,117	-	95,117
(Increase) decrease in operating assets:			
Accounts receivable	(933,279)	-	(933,279)
Due from other funds	(8,774)	-	(8,774)
Prepaid items	(18,739)	-	(18,739)
Inventories	(23,692)	-	(23,692)
Increase (decrease) in operating liabilities:			
Accounts payable and accrued expenses	182,742	-	182,742
Net OPEB liability and related deferred inflows and outflows of resources	(7,115)	-	(7,115)
Net pension liability and related deferred inflows and outflows of resources	(47,844)	(308,078)	(355,922)
Net cash flows from operating activities	\$ (1,243,223)	\$ -	\$ (1,243,223)

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, 2023

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget
REVENUES			
Charges for services and other operating revenue	\$ 18,783,096	\$ 19,625,538	\$ 842,442
Transfers in	1,100,000	1,100,000	-
TOTAL REVENUES	<u>19,883,096</u>	<u>20,725,538</u>	<u>842,442</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	1,062,946	1,017,902	45,044
Contractual services	40,681	29,628	11,053
Utilities	76,850	71,460	5,390
Repairs and maintenance	110,525	79,600	30,925
Other supplies and expenses	2,213,158	2,000,742	212,416
Insurance claims expense	16,711,050	16,934,249	(223,199)
Capital outlay	60,000	227,469	(167,469)
Debt Service -			
Principal	7,886	-	7,886
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>20,283,096</u>	<u>20,361,050</u>	<u>(77,954)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (400,000)</u>	<u>\$ 364,488</u>	<u>\$ 764,488</u>

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, 2023

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	\$ 20,361,050
Differences - Budget to GAAP	
Depreciation expense	95,117
Capital outlay	(227,469)
Pension and OPEB adjustments	(54,959)
Change in accrued compensated absences	<u>(66,562)</u>
GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u>\$ 20,107,177</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, 2023

	Unliquidated Passenger Facility Charge Revenue Account December 31, 2022	Passenger Facility Charge Collections	Interest Earned	Current Year Expenditures	Unliquidated Passenger Facility Charge Revenue Account December 31, 2023
Extend taxiway K, Phase II	\$ 68,521	\$ 20,674	\$ -	\$ -	\$ 89,195
Total assets	\$ 68,521	\$ 20,674	\$ -	\$ -	\$ 89,195

See accompanying Independent Auditor's Report.

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/23
This Information From The Records Of: City of Pueblo	Prepared By: Stephanie N. Sincerbox

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	\$ 12,918,492.00
3. Other local imposts (from page 2)	\$ 2,558,784.00
4. Miscellaneous local receipts (from page 2)	\$ 2,505,114.00
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	\$ -
7. Total (1 through 6)	\$ 17,982,390.00
B. Private Contributions	\$ 1,465,115.00
C. Receipts from State government (from page 2)	\$ 3,939,468.00
D. Receipts from Federal Government (from page 2)	\$ 1,161,034.00
E. Total receipts (A.7 + B + C + D)	\$ 24,548,007.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	\$ 16,787,829.00
2. Maintenance:	\$ 2,353,940.00
3. Road and street services:	
a. Traffic control operations	\$ 1,552,463.00
b. Snow and ice removal	\$ 183,920.00
c. Other	\$ 768,859.00
d. Total (a. through c.)	\$ 2,505,242.00
4. General administration & miscellaneous	\$ 384,593.00
5. Highway law enforcement and safety	\$ 1,359,858.00
6. Total (1 through 5)	\$ 23,391,462.00
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	\$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	\$ -
3. Total (1.c + 2.c)	\$ -
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	\$ 23,391,462.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 7,878,652.00	\$ 24,548,007.00	\$ 23,391,462.00	\$ 9,035,197.00	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO YEAR ENDING (mm/yy): 12/23	
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	\$ 628,221.00	a. Interest on investments	\$ 452,726.00
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 610,486.00
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	\$ 162,687.00	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 1,767,876.00	g. Other Misc. Receipts	\$ 1,441,902.00
6. Total (1. through 5.)	\$ 1,930,563.00	h. Other	
c. Total (a. + b.)	\$ 2,558,784.00	i. Total (a. through h.)	\$ 2,505,114.00
(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 (from Item I.C.5.)	\$ 3,613,548.00	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	\$ 325,920.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	\$ 1,161,034.00
f. Total (a. through e.)	\$ 325,920.00	g. Total (a. through f.)	\$ 1,161,034.00
4. Total (1. + 2. + 3.f)	\$ 3,939,468.00	3. Total (1. + 2.g)	\$ 1,161,034.00
(Carry forward to page 1)		(Carry forward to page 1)	
III. EXPENDITURES 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		\$ 1,086,247.00	\$ 1,086,247.00
b. Engineering Costs		\$ 80,910.00	\$ 80,910.00
c. Construction:			
(1). New Facilities		\$ -	\$ -
(2). Capacity Improvements		\$ 1,326,733.00	\$ 1,326,733.00
(3). System Preservation		\$ 14,293,939.00	\$ 14,293,939.00
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 15,620,672.00	\$ 15,620,672.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 16,787,829.00	\$ 16,787,829.00
(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.

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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	199
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, sales tax and property tax.	205
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.	212
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.	218
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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.	220

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 310,952,995	\$ 307,415,524	\$ 322,263,921	\$ 327,352,383	\$ 322,043,078	\$ 325,157,144	\$ 339,377,854	\$ 341,913,274	\$ 347,671,902	\$ 361,586,950
Restricted	98,744,705	97,683,789	95,030,761	100,958,399	120,270,177	129,508,504	128,434,347	148,301,923	150,003,608	181,709,992
Unrestricted	<u>(26,319,466)</u>	<u>(16,336,921)</u>	<u>(6,551,772)</u>	<u>(17,995,211)</u>	<u>(16,883,492)</u>	<u>(6,292,161)</u>	<u>(5,272,171)</u>	<u>6,197,077</u>	<u>53,006,245</u>	<u>28,634,448</u>
Total governmental activities net position	<u>\$ 383,378,234</u>	<u>\$ 388,762,392</u>	<u>\$ 410,742,910</u>	<u>\$ 410,315,571</u>	<u>\$ 425,429,763</u>	<u>\$ 448,373,487</u>	<u>\$ 462,540,030</u>	<u>\$ 496,412,274</u>	<u>\$ 550,681,755</u>	<u>\$ 571,931,390</u>
Business-type activities										
Net investment in capital assets	\$ 160,736,818	\$ 162,247,604	\$ 163,146,725	\$ 167,925,273	\$ 172,737,172	\$ 177,494,464	\$ 187,045,170	\$ 189,923,492	\$ 187,537,018	\$ 187,071,710
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>12,673,300</u>	<u>12,270,072</u>	<u>18,682,525</u>	<u>22,701,679</u>	<u>30,606,807</u>	<u>43,731,319</u>	<u>47,334,218</u>	<u>59,191,658</u>	<u>75,724,124</u>	<u>94,827,977</u>
Total business-type activities net position	<u>\$ 173,410,118</u>	<u>\$ 174,517,676</u>	<u>\$ 181,829,250</u>	<u>\$ 190,626,952</u>	<u>\$ 203,343,979</u>	<u>\$ 221,225,783</u>	<u>\$ 234,379,388</u>	<u>\$ 249,115,150</u>	<u>\$ 263,261,142</u>	<u>\$ 281,899,687</u>
Primary government										
Net investment in capital assets	\$ 471,689,813	\$ 469,663,128	\$ 485,410,646	\$ 495,277,656	\$ 494,780,250	\$ 502,651,608	\$ 526,423,024	\$ 531,836,766	\$ 535,208,920	\$ 548,658,660
Restricted	98,744,705	97,683,789	95,030,761	100,958,399	120,270,177	129,508,504	128,434,347	148,301,923	150,003,608	181,709,992
Unrestricted	<u>(13,646,166)</u>	<u>(4,066,849)</u>	<u>12,130,753</u>	<u>4,706,468</u>	<u>13,723,315</u>	<u>37,439,158</u>	<u>42,062,047</u>	<u>65,388,735</u>	<u>128,730,369</u>	<u>123,462,425</u>
Total primary government net position	<u>\$ 556,788,352</u>	<u>\$ 563,280,068</u>	<u>\$ 592,572,160</u>	<u>\$ 600,942,523</u>	<u>\$ 628,773,742</u>	<u>\$ 669,599,270</u>	<u>\$ 696,919,418</u>	<u>\$ 745,527,424</u>	<u>\$ 813,942,897</u>	<u>\$ 853,831,077</u>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
General government	\$ 9,410,359	\$ 12,471,787	\$ 13,947,968	\$ 13,327,614	\$ 16,668,126	\$ 12,234,819	\$ 18,733,185	\$ 17,207,205	\$ 19,031,481	\$ 36,794,015
Public safety	48,485,290	44,662,761	46,540,217	49,623,376	46,233,849	52,915,609	59,861,037	55,343,290	43,072,584	61,714,760
Public works	11,682,330	20,780,039	17,710,527	11,746,051	12,172,738	9,201,995	9,669,351	12,104,138	10,139,094	12,576,320
Culture and community welfare	7,905,331	8,055,195	8,548,558	7,911,436	10,041,719	10,050,263	9,608,818	10,586,112	11,822,184	13,822,549
Parks and recreation	5,719,300	5,828,170	6,897,741	7,511,512	7,891,429	6,433,296	5,383,474	7,494,299	7,374,781	8,804,783
Economic development	4,985,902	4,906,360	(845,556)	5,539,464	2,728,433	7,045,555	7,216,085	4,129,569	10,196,358	14,901,805
Other	-	-	544,756	735,897	-	-	-	-	-	-
Interest on long-term debt	1,297,305	1,142,197	411,047	712,937	693,978	605,412	515,086	401,053	298,874	916,828
Total governmental activities	<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>	<u>101,935,356</u>	<u>149,531,060</u>
Business-type activities										
Golf enterprise	\$ 2,911,244	\$ 2,966,262	\$ 3,100,949	\$ 2,333,926	\$ 2,566,495	\$ 2,448,996	\$ 2,362,280	\$ 2,578,104	\$ 2,657,197	\$ 3,056,111
Sewer user	12,674,302	16,540,331	12,038,544	14,625,289	17,968,821	14,030,091	19,629,035	17,163,902	16,257,863	17,984,422
Stormwater utility	2,861,912	2,896,523	7,314,843	4,707,825	3,817,259	3,138,822	2,791,233	3,739,876	3,390,120	4,595,816
Other business-type activities	<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>	<u>15,532,206</u>	<u>16,788,465</u>
Total business-type activities	<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>	<u>37,837,386</u>	<u>42,424,814</u>
Total primary government expenses	<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>	<u>\$ 139,772,742</u>	<u>\$ 191,955,874</u>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program revenue										
Governmental activities										
Permits, fees, fines and charges for services										
General government	\$ 2,091,671	\$ 3,537,728	\$ 3,699,562	\$ 3,915,422	\$ 4,689,123	\$ 5,199,703	\$ 5,046,435	\$ 5,008,695	\$ 5,059,892	\$ 4,883,283
Public safety	4,335,834	3,630,834	3,902,691	4,731,960	4,417,499	5,367,804	3,502,772	4,958,265	7,711,983	6,371,700
Public works	710,835	353,921	465,353	246,015	2,574,745	2,739,843	2,387,377	3,085,205	2,764,060	2,803,577
Culture and community welfare	293,731	368,223	297,828	292,396	248,563	48,922	27,930	248,087	48,401	130,928
Parks and recreation	639,218	631,889	648,325	716,149	749,193	818,555	299,602	765,327	816,165	798,153
Economic development	-	-	-	-	27,031	48,165	-	132,599	4,571	10,001
Operating grants and contributions	9,134,469	10,428,895	14,328,624	9,345,632	11,645,011	10,798,995	10,477,385	16,034,406	13,756,877	22,353,242
Capital grants and contributions	7,488,040	8,159,967	9,620,950	6,974,583	2,771,973	5,560,859	8,624,350	5,626,623	7,112,429	6,128,541
Total governmental activities program revenue	<u>24,693,798</u>	<u>27,111,457</u>	<u>32,963,333</u>	<u>26,222,157</u>	<u>27,123,138</u>	<u>30,582,846</u>	<u>30,365,851</u>	<u>35,859,207</u>	<u>37,274,378</u>	<u>43,479,425</u>
Business-type activities										
Charges for services										
Golf	\$ 2,114,228	\$ 2,227,398	\$ 2,212,471	\$ 2,178,770	\$ 2,319,896	\$ 2,287,895	\$ 2,561,293	\$ 2,728,690	\$ 2,669,726	\$ 2,884,316
Sewer	15,256,778	16,422,771	18,564,168	20,199,200	23,339,793	25,603,065	27,244,697	29,334,131	31,048,069	32,430,440
Stormwater	3,369,638	3,579,194	4,568,531	4,198,016	4,486,414	4,882,410	4,855,003	5,002,157	4,885,864	5,052,145
Other	4,929,973	4,981,018	5,306,526	5,482,730	5,055,219	8,081,390	7,277,799	7,994,629	5,656,846	6,403,475
Operating grants and contributions	2,037,268	2,008,817	7,037,900	2,732,228	9,555,991	4,219,974	5,020,738	4,394,179	4,526,394	2,610,901
Capital grants and contributions	3,828,080	2,908,184	747,707	61,883	1,430,478	136,346	5,481,170	2,192,490	953,679	2,736,953
Total business-type activities program revenue	<u>31,535,965</u>	<u>32,127,382</u>	<u>38,437,303</u>	<u>34,852,827</u>	<u>46,187,791</u>	<u>45,211,080</u>	<u>52,440,700</u>	<u>51,646,276</u>	<u>49,740,578</u>	<u>52,118,230</u>
Total primary government program revenue	<u>\$ 56,229,763</u>	<u>\$ 59,238,839</u>	<u>\$ 71,400,636</u>	<u>\$ 61,074,984</u>	<u>\$ 73,310,929</u>	<u>\$ 75,793,926</u>	<u>\$ 82,806,551</u>	<u>\$ 87,505,483</u>	<u>\$ 87,014,956</u>	<u>\$ 95,597,655</u>
Net (expense) revenue										
Governmental activities	\$ (64,792,019)	\$ (70,735,052)	\$ (60,791,925)	\$ (70,886,130)	\$ (69,307,134)	\$ (67,904,103)	\$ (80,621,185)	\$ (71,406,459)	\$ (64,660,978)	\$ (106,051,635)
Business-type activities	(324,657)	(3,384,330)	2,216,488	(727,914)	7,361,536	11,502,452	9,763,574	10,503,691	11,903,192	9,693,416
Total primary government net (expense) revenue	<u>\$ (65,116,676)</u>	<u>\$ (74,119,382)</u>	<u>\$ (58,575,437)</u>	<u>\$ (71,614,044)</u>	<u>\$ (61,945,598)</u>	<u>\$ (56,401,651)</u>	<u>\$ (70,857,611)</u>	<u>\$ (60,902,768)</u>	<u>\$ (52,757,786)</u>	<u>\$ (96,358,219)</u>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenue and other changes in net position										
Governmental activities										
Property taxes	\$ 12,719,414	\$ 12,811,986	\$ 13,403,730	\$ 13,153,309	\$ 14,627,886	\$ 14,704,878	\$ 15,225,758	\$ 15,412,893	\$ 18,920,650	\$ 18,645,252
Franchise and other taxes	7,020,223	7,210,741	7,315,083	7,483,814	7,416,964	7,449,814	6,899,005	7,466,929	8,315,808	8,597,485
Sales and use taxes	51,351,232	56,203,150	61,553,748	61,604,922	65,199,382	68,816,685	71,452,938	90,929,645	93,763,595	92,703,796
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	618,324	545,820	452,532	734,768	2,006,556	3,122,280	1,815,852	17,832	(604,188)	9,473,066
Miscellaneous	2,066,165	2,841,209	3,962,782	4,024,976	2,076,467	549,392	1,504,168	1,299,837	1,324,010	1,142,734
Gain/(loss) on asset exchange	-	-	-	-	(2,513,903)	1,041,382	113,597	(4,645,829)	50,746	58,394
Transfers	(3,464,599)	(3,503,555)	(3,925,294)	(10,910,849)	(4,401,885)	(4,846,463)	(2,233,449)	(5,071,170)	(2,850,021)	(3,329,316)
Transfers (capital assets)	-	-	-	-	-	-	-	(88,753)	-	-
Total governmental activities	<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>	<u>118,930,459</u>	<u>127,301,270</u>
Business-type activities										
Unrestricted investment earnings	\$ 916,154	\$ 960,271	\$ 980,331	\$ 264,471	\$ 675,044	\$ 1,359,927	\$ 757,760	\$ (287,989)	\$ (984,245)	\$ 5,101,042
Miscellaneous	138	28,062	189,461	515,991	108,443	23,445	157,288	248,021	171,150	27,677
Gain/(loss) on asset exchange	-	-	-	78,217	170,119	149,517	241,534	(20,319)	205,874	487,094
Transfers	3,464,599	3,503,555	3,925,294	10,910,849	4,401,885	4,846,463	2,233,449	5,071,170	2,850,021	3,329,316
Transfers (capital assets)	-	-	-	-	-	-	-	88,753	-	-
Total business-type activities	<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>	<u>2,242,800</u>	<u>8,945,129</u>
Total primary government	<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>	<u>\$ 121,173,259</u>	<u>\$ 136,246,399</u>
Change in net position										
Governmental activities	\$ 5,528,599	\$ 5,384,158	\$ 21,980,515	\$ 5,214,669	\$ 15,114,192	\$ 22,943,724	\$ 14,166,543	\$ 33,924,784	\$ 54,269,481	\$ 21,249,635
Business-type activities	<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>	<u>14,145,992</u>	<u>18,638,545</u>
Total primary government change in net position	<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>	<u>\$ 68,415,473</u>	<u>\$ 39,888,180</u>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 1,730,596	\$ 2,028,732	\$ 1,914,431	\$ 1,823,188	\$ 3,130,297	\$ 2,333,616	\$ 2,470,978	\$ 2,542,340	\$ 2,646,546	\$ 2,736,988
Restricted	2,600,000	2,900,000	2,900,000	2,700,000	2,700,000	2,761,635	2,652,189	3,440,722	3,743,812	4,974,493
Committed	7,486,408	7,657,428	7,927,638	8,540,589	11,556,425	11,018,950	9,137,317	11,178,497	12,450,216	12,718,539
Assigned	5,554,298	7,941,687	10,116,595	10,851,933	11,557,152	11,869,436	13,776,119	8,021,373	24,702,019	18,400,970
Unassigned	<u>1,040,371</u>	<u>1,591,577</u>	<u>5,539,271</u>	<u>7,715,290</u>	<u>2,971,690</u>	<u>5,450,705</u>	<u>8,330,616</u>	<u>28,034,619</u>	<u>22,409,834</u>	<u>17,630,307</u>
Total general fund	<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>	<u>\$ 65,952,427</u>	<u>\$ 56,461,297</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ 1,359,572	\$ 747,000	\$ -	\$ 515,872	\$ -	\$ -	\$ 815,520	\$ 2,961,249
Restricted	92,099,404	89,823,700	92,057,409	98,258,399	114,574,266	126,746,869	124,911,808	138,246,261	141,902,771	176,735,499
Committed	1,548,817	-	467,154	104,831	104,831	104,831	104,831	104,831	104,831	104,831
Assigned	2,814,032	4,319,768	5,548,342	1,395,994	4,570,052	4,416,849	4,295,168	4,886,070	12,950,316	17,273,511
Unassigned	<u>-</u>	<u>(1,736,679)</u>	<u>(305,445)</u>	<u>(4,008)</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<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>\$ 129,311,807</u>	<u>\$ 143,237,162</u>	<u>\$ 155,773,438</u>	<u>\$ 197,075,090</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).

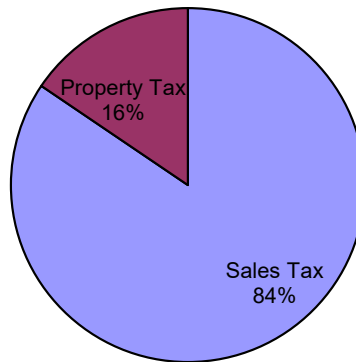
CITY OF PUEBLO, COLORADO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 71,910,738	\$ 76,138,538	\$ 82,317,674	\$ 81,944,382	\$ 86,873,998	\$ 91,010,857	\$ 93,612,158	\$ 113,809,467	\$ 121,000,053	\$ 119,946,533
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	1,611,630	1,798,138	1,741,259	1,986,461	2,170,102	2,362,432	1,754,396	1,707,579	1,460,514	1,270,845
Licenses and permits	576,283	591,466	652,734	832,065	896,954	1,016,347	880,489	1,020,502	1,002,210	1,021,934
Intergovernmental	11,871,960	15,964,015	22,481,211	15,082,105	15,111,168	15,043,154	17,146,741	23,179,698	19,194,708	24,659,514
Charges for services	5,534,195	6,351,180	6,567,569	6,367,387	7,312,641	7,386,551	6,658,058	8,495,295	10,534,633	8,886,048
Investment earnings	540,404	477,251	391,915	682,348	1,868,791	2,975,462	1,734,784	(79,096)	(529,311)	9,337,487
Disposal of assets	-	-	-	-	-	4,120,000	-	2,125,000	-	-
Miscellaneous	860,354	1,062,995	1,150,565	3,406,114	8,246,804	1,233,855	1,307,963	1,741,399	1,344,897	1,252,470
Total revenues	<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>123,104,448</u>	<u>152,009,703</u>	<u>154,017,563</u>	<u>166,384,690</u>
Expenditures										
Current										
General government	8,775,946	9,274,465	10,326,645	15,317,582	12,765,163	13,307,287	17,353,967	17,122,490	20,545,892	35,806,387
Public safety	42,129,729	42,633,784	43,782,281	44,423,822	48,917,175	51,380,635	51,948,534	52,968,566	55,270,416	58,954,758
Public works	9,464,524	18,521,210	14,533,241	9,237,437	9,176,742	7,789,873	8,257,366	9,627,392	9,572,001	10,094,016
Parks and recreation	4,743,862	4,714,260	5,022,663	5,757,114	6,127,750	6,424,157	5,573,554	6,419,580	7,577,663	7,988,007
Economic development	5,027,462	4,659,769	(945,264)	2,344,041	2,883,995	6,949,360	7,098,308	4,016,572	10,139,004	14,844,451
Culture and community welfare	7,356,405	7,622,393	8,014,330	7,376,916	9,550,435	8,901,508	9,078,072	10,415,585	12,703,858	13,085,364
Other	485,078	601,143	544,756	735,897	-	-	-	-	-	-
Debt service										
Principal	2,772,040	3,206,097	3,253,445	3,970,960	3,455,274	3,818,025	3,887,638	3,975,707	3,658,895	4,120,803
Interest and other charges	1,270,723	1,138,466	1,165,287	401,897	477,666	436,517	368,605	278,836	139,362	712,897
Capital outlay	<u>3,306,401</u>	<u>6,965,445</u>	<u>14,997,703</u>	<u>11,284,170</u>	<u>9,467,488</u>	<u>6,591,814</u>	<u>15,928,111</u>	<u>9,548,120</u>	<u>5,189,299</u>	<u>19,709,738</u>
Total expenditures	<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>	<u>124,796,390</u>	<u>165,316,421</u>
Excess revenues over (under) expenditures	<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>3,610,293</u>	<u>37,636,855</u>	<u>29,221,173</u>	<u>1,068,269</u>
Other financing sources (uses)										
Proceeds from borrowing	4,200,000	-	2,776,391	1,400	-	-	-	-	-	35,091,978
Proceeds from SBITAs	-	-	-	-	-	-	-	-	-	79,588
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	154,692	109,500	-	-	-	-	-	-	-	-
Transfers in	9,139,517	11,082,730	9,969,269	12,926,287	12,483,656	12,344,921	16,272,488	11,519,305	20,300,184	34,515,363
Transfers out	<u>(13,473,805)</u>	<u>(16,536,285)</u>	<u>(15,326,562)</u>	<u>(18,292,859)</u>	<u>(17,922,541)</u>	<u>(17,969,111)</u>	<u>(19,454,724)</u>	<u>(17,690,475)</u>	<u>(24,250,205)</u>	<u>(38,944,676)</u>
Total other financing sources (uses)	<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>	<u>(3,950,021)</u>	<u>30,742,253</u>
Net changes in fund balances	7,603,657	(347,713)	12,998,751	4,608,249	19,031,505	14,054,045	460,263	31,465,685	25,271,152	31,810,522
Fund balances - beginning	<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>	<u>221,725,865</u>
Fund balances - ending	<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>\$ 165,679,026</u>	<u>\$ 196,454,713</u>	<u>\$ 221,725,865</u>	<u>\$ 253,536,387</u>
Debt service as a percentage of non-capital expenditures	4.9%	4.7%	-1.2%	4.9%	4.2%	4.3%	4.1%	4.1%	3.2%	3.3%

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
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
2022	102,079,403	3.70%	18,920,650	15.633%	121,000,053
2023	101,301,281	3.70%	18,645,252	15.633%	119,946,533

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	% of Total
Apparel stores	\$ 21,711,110	\$ 20,634,443	\$ 20,272,604	\$ 19,849,447	\$ 20,199,683	\$ 20,262,196	\$ 16,045,091	\$ 22,674,585	\$ 21,567,528	\$ 22,181,605	0.87%
General merchandise	262,641,258	268,291,882	274,049,873	276,157,293	280,947,691	284,619,889	285,142,425	326,038,402	345,054,782	350,479,992	13.80%
Food/drug/liquor stores	66,864,169	70,252,481	75,941,336	75,188,781	75,722,009	91,010,671	113,797,241	131,111,134	117,462,982	116,155,168	4.57%
Eating and drinking establishments	199,340,110	215,135,731	226,031,722	231,388,342	238,290,989	256,853,767	240,982,031	279,507,199	299,508,470	310,457,243	12.22%
Home furnishings and appliances	28,221,714	27,883,465	24,558,569	22,961,790	24,021,522	23,240,369	23,511,165	27,823,264	29,767,126	28,046,442	1.10%
Building materials and farm tools	142,638,333	166,576,091	197,116,069	206,519,526	206,330,219	215,098,681	252,934,317	288,993,781	330,471,158	310,628,671	12.23%
Auto dealers and supplies	156,434,840	184,178,841	191,997,840	192,863,562	194,916,009	212,769,712	200,343,810	261,611,409	283,869,095	273,630,409	10.77%
Other retail stores	231,554,778	242,005,604	249,292,166	306,870,709	304,706,148	320,099,986	346,001,502	549,709,928	519,006,799	476,337,570	18.75%
Utilities	225,969,757	216,905,819	232,977,413	226,557,799	205,193,579	207,638,569	196,329,184	208,611,242	240,765,096	249,229,681	9.81%
All other outlets	<u>189,488,275</u>	<u>204,278,923</u>	<u>219,327,119</u>	<u>250,337,933</u>	<u>242,588,251</u>	<u>241,537,609</u>	<u>248,655,536</u>	<u>339,151,681</u>	<u>390,032,191</u>	<u>403,362,015</u>	<u>15.88%</u>
Total	<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>\$ 2,577,505,227</u>	<u>\$ 2,540,508,796</u>	<u>100.00%</u>
City direct sales tax rate	3.50%	3.50%	3.50%	3.50%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	

CITY OF PUEBLO, COLORADO
PRINCIPAL SALES TAXPAYERS
December 31, 2023 and Nine Years Prior

Sales and Use Tax is the City's largest revenue source, producing 71.0% 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

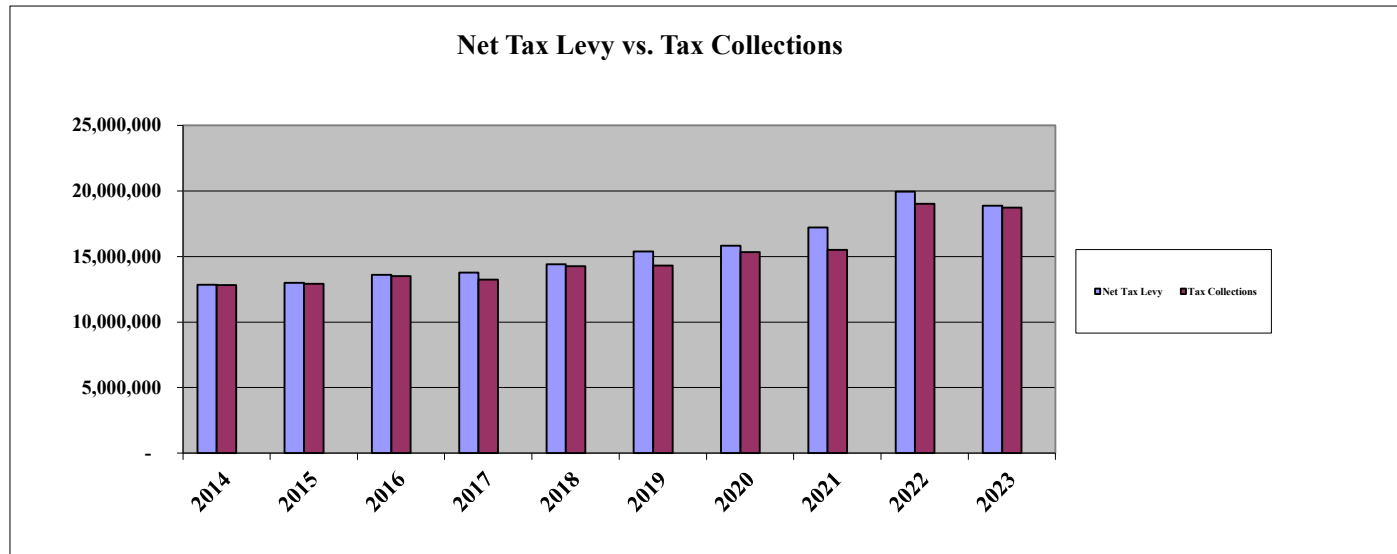
	<u>2023</u>	<u>2013</u>
General Merchandise Stores	14%	17%
Utilities	10%	15%
Restaurants	12%	13%
Auto Sales	11%	10%
All other	53%	45%
	100%	100%

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

Fiscal Year	Total Tax Levy	(1) Property Tax Incentive	Net Tax Levy	Total Tax Collections	County Collection Fee	Net Tax Collections	Delinquent Tax Collections	(2) Current Tax Collections	Percentage of Current Taxes Collected
2014	15,764,500	(2,923,384)	12,841,116	12,816,676	(157,400)	12,659,276	39	12,659,236	98.6%
2015	15,797,889	(2,805,458)	12,992,431	12,910,874	(159,081)	12,751,793	(6,431)	12,758,224	98.2%
2016	15,850,288	(2,255,548)	13,594,740	13,501,807	(158,789)	13,343,019	(840)	13,343,859	98.2%
2017	16,274,147	(2,510,347)	13,763,800	13,246,122	(165,385)	13,080,737	5,172	13,075,566	95.0%
2018	16,412,480	(2,011,029)	14,401,451	14,263,640	(163,162)	14,100,478	16,693	14,083,785	97.8%
2019	17,336,630	(1,947,715)	15,388,915	14,316,396	(169,767)	14,146,629	(5,793)	14,152,422	92.0%
2020	17,732,235	(1,916,877)	15,815,358	15,320,093	(173,522)	15,146,571	(1,515)	15,148,087	95.8%
2021	19,210,298	(1,994,240)	17,216,058	15,503,542	(176,662)	15,326,880	3,049	15,323,831	89.0%
2022	19,938,272	-	19,938,272	19,009,295	(190,616)	18,818,679	885	18,817,794	94.4%
2023	18,871,593	-	18,871,593	18,732,169	(188,443)	18,543,726	(418)	18,544,144	98.3%

(1) Property Tax Incentives as noted in Notes to the Financial Statements

(2) Real and Property Taxes are assessed as of January 1. Taxes are due in full on April 30, or in installments with the first half due February 28 and the second half due June 15.



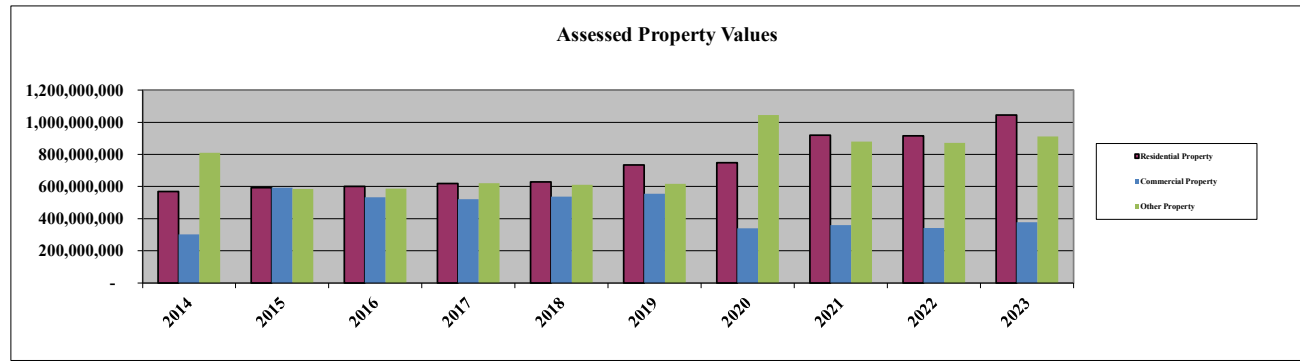
CITY OF PUEBLO, COLORADO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

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			
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%
2022	916,446,539	342,944,237	871,902,344	(855,896,692)	1,275,396,428	15.633%	17,393,224,597	7.333%
2023	1,044,880,083	377,470,066	912,230,844	(995,555,819)	1,339,025,174	15.633%	20,218,864,063	6.623%

(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.

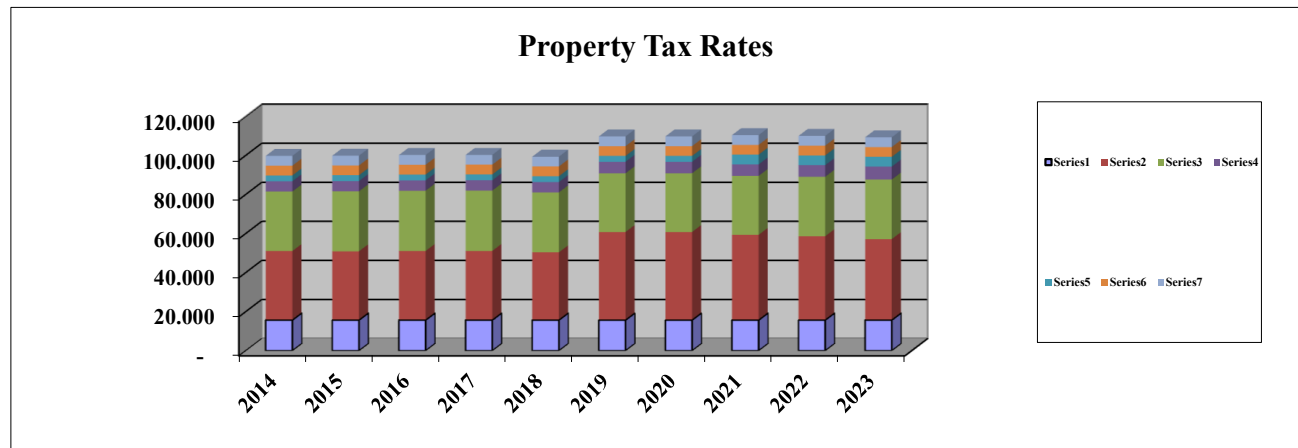
(2) Actual Property Value is the base from which assessed value is derived. Excludes State Assessed and Exempt properties.

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
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
2022	15.633	42.951	30.436	5.944	5.000	5.000	5.000
2023	15.633	41.467	30.503	6.634	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, 2023 and Nine Years Prior

Current Year					Nine Years Prior	
Rank	Taxpayer	Type of Business	2023 Assessed Valuation	Percentage of Total Assessed Valuation	Rank	2014 Assessed Valuation
1	Public Service Co. of Colorado	Natural gas utility	\$ 194,725,000	14.5%	1	\$ 233,540,013
2	Black Hills Colorado Electric	Electric utility	52,830,900	3.9%	2	50,108,261
3	Black Hills Colorado IPP LLC	Electric utility	45,419,100	3.4%	4	40,149,600
4	C F + I Steel LP	Electric utility	28,591,910	2.1%		
5	Core Electric Cooperative	Electric utility	26,833,000	2.0%	3	48,276,500
6	C S Wind America, Inc.	Electric utility	26,757,680	2.0%	5	35,852,042
7	Holy Cross Electric Assn Inc	Electric utility	12,523,200	0.9%	6	17,461,700
8	Vestas Towers America Inc.	Electric utility	10,166,779	0.8%		
9	Lumen Qwest Corporation	Communications	8,122,700	0.6%	7	11,112,300
10	Bighorn Solar 1 LLC	Electric utility	7,726,500	0.6%		
	Parkview Medical Center Inc	Medical			8	7,466,471
	Comcast of Colorado IV LLC	Communications			9	6,580,527
	Colorado Natural Gas Inc.	Natural gas utility			10	5,039,000
Total 2023 property tax valuation for City of Pueblo			1,339,025,174			

Note: Ranking based upon 2023 collections of tax amounts due calculated on 2022 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	Financed Purchases	SBITA Obligations	Notes Payable	Revenue Bonds	Certificates of Participation	Financed Purchases	Notes Payable			
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
2022	-	-	3,395,845	667,636	-	-	-	-	182,413	21,525,344	25,771,238	0.32%	228
2023	-	-	35,557,687	88,142	669,122	-	-	-	-	19,153,054	55,468,005	0.69%	501

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
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%	-
2022	-	-	-	-	-	0.00%	-
2023	-	-	-	-	-	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, 2023

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Pueblo	Amount Applicable to City of Pueblo
Direct debt	\$ 36,314,951	100%	\$ 36,314,951
Total direct debt	<u>\$ 36,314,951</u>		<u>\$ 36,314,951</u>
Overlapping entities:			
Thunder Village Special District	\$ 6,500,000	100.0%	\$ 6,500,000.00
Pueblo City-County Library District	12,410,000	65.4%	8,116,214.13
Board of Water Works	16,370,000	100.0%	16,370,000.00
Pueblo Conservancy District	22,150,225	100.0%	22,150,225.00
Pueblo County Debt	276,585,251	65.4%	180,888,406.27
PURA	123,559,619	100.0%	123,559,619.00
School District #60 Debt	207,016,748	100.0%	207,016,748.00
Total overlapping debt	<u>\$ 664,591,843</u>		<u>\$ 511,464,773.27</u>
Total direct and overlapping debt	<u>\$ 700,906,794</u>		<u>\$ 547,779,724</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 2023</u>
Assessed value - 2023 for 2024 taxes		\$ 1,339,025,174
Debt limitation - Ten percent of total assessed value		133,902,517
Total applicable debt	\$ -	
Less amount available for repayment of general obligation bonds	<u>-</u>	
Total net debt applicable to limitation		<u>-</u>
Legal debt margin		<u><u>\$ 133,902,517</u></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>	<u>2022</u>	<u>2023</u>
Debt limit	\$ 105,639,132	\$ 106,852,229	\$ 105,874,148	\$ 108,886,532	109,630,816	116,439,822	118,411,097	130,634,329	127,539,643	133,902,517
Total net debt applicable to limit	<u>1,870,000</u>	<u>955,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<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>	<u>\$ 127,539,643</u>	<u>\$ 133,902,517</u>
Total net debt applicable to the limit as a percentage of debt limit	1.77%	0.89%	0.00%	0.00%	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
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
2022	31,063,721	15,888,913	15,174,808	1,914,727	451,765	6.41
2023	32,490,785	17,656,611	14,834,174	1,985,666	390,068	6.24

- (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
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
2022	4,892,845	3,252,013	1,640,832	295,890	146,447	3.71
2023	5,119,515	4,450,701	668,814	305,109	139,447	1.50

- (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
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%
2022	112,868	7,959,927	46,927	38.8	76.6	15,007	4.3%
2023	110,803	8,003,899	47,208	39.1	79.8	14,549	4.5%

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	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Parkview Hospital Medical Center	4,293	1	5.6%	1,960	1	4.4%
Colorado State Mental Inst	2,000	2	2.6%	1,000	8	2.3%
Pueblo City Schools (School District No. 60)	1,677	3	2.2%	1,800	2	4.1%
Colorado State Univ - Pueblo	1,500	4	2.0%			
Walmart*	1,493	5	2.0%	1,200	5	2.7%
Pueblo County	1,242	6	1.6%	1,100	7	2.5%
School District No. 70	1,195	7	1.6%	1,101	6	2.5%
Evraz Rocky Mountain Steel	931	8	1.2%	1,218	4	2.7%
City of Pueblo	776	9	1.0%	620	9	1.4%
Trane Commercial Systems	760	10	1.0%			
St Mary-Corwin Medical Ctr			0.0%	1,200	6	2.7%
Express Scripts			0.0%	600	3	1.4%
Total	<u>15,867</u>		<u>20.8%</u>	<u>11,799</u>		<u>26.6%</u>
Pueblo County resident employment	76,425			44,440		

*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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
City manager's office	6.00	6.00	6.00	6.00	4.00	-	-	-	-	-
Mayor's office	-	-	-	-	-	4.00	8.00	7.00	10.00	12.00
Municipal court	10.00	10.00	10.00	10.00	11.00	11.00	14.00	14.00	14.00	15.00
City clerk's office	4.00	4.00	4.00	4.00	4.00	4.00	5.00	6.00	7.00	6.00
Human resources	7.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Finance	18.00	20.00	20.00	22.00	22.00	22.00	25.00	26.00	28.00	28.00
Civil service	3.00	6.00	5.00	2.00	2.00	2.00	5.00	5.00	6.00	6.00
Law	6.00	7.00	7.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00
Information technology	15.75	16.00	18.00	18.00	19.00	19.00	18.00	18.00	19.00	21.00
Planning/comm dev	12.00	14.00	14.00	14.00	14.00	14.00	12.00	15.00	15.00	20.00
Purchasing	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00
Housing/comm svcs	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	-
Fleet maintenance	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	12.00	12.00
Police	271.00	273.00	274.00	299.50	299.50	299.50	299.50	300.00	308.00	315.00
Fire	140.00	140.00	140.00	145.00	145.00	145.00	146.00	149.00	156.00	157.00
Public works	74.00	74.00	74.00	72.00	72.00	72.00	75.00	78.00	81.00	81.00
Parks and recreation	38.00	38.00	39.00	39.50	39.00	39.00	42.50	44.00	46.00	49.00
Business-type activities:										
Wastewater utility	52.50	56.50	57.50	56.50	59.50	59.50	60.00	62.00	62.00	62.00
Stormwater utility	19.50	19.50	19.50	19.50	20.00	20.00	19.00	23.00	25.00	27.00
Memorial airport	12.00	12.00	12.00	12.00	12.00	12.00	13.00	13.00	14.00	14.00
Parking facilities	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Honor Farm properties	1.00	1.00	-	-	-	-	-	-	-	-
Total	<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>	<u>830.00</u>	<u>847.00</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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Number of arrests	3,981	4,257	4,530	4,656	4,544	4,567	3,246	3,413	3,384	3,022
Number of traffic violations	6,798	5,200	6,085	6,982	7,124	9,996	6,654	5,119	5,581	4,613
Number of parking violations	7,804	7,113	7,576	9,200	9,377	7,505	4,344	3,451	3,486	3,228
Fire										
Number of fire calls answered	5,708	6,651	7,183	2,265	578	465	518	570	6,689	847
Number of medical responses	14,113	15,367	16,596	14,765	14,890	14,714	14,848	17,088	19,626	16,168
Number of inspections	1,540	1,534	2,066	2,302	1,352	1,637	840	788	3,138	4,075
Parks and recreation										
Aquatics participants	40,093	42,808	37,075	46,445	52,278	53,633	21,116	56,842	57,074	54,494
Adult athletics participants	735	630	540	690	815	864	540	480	774	778
Youth athletics participants	1,883	1,941	1,627	1,487	1,601	1,966	316	1,195	1,870	1,947
Playground/Open gym participants	139	215	42	-	-	-	-	-	-	-
Tennis participants	892	296	381	295	372	437	167	230	350	488
Elmwood golf course										
Golf rounds played	25,078	26,701	59,952	59,347	60,602	57,186	62,049	64,761	61,178	61,363
Walkingstick golf course										
Golf rounds played	25,388	27,423	27,558	26,775	25,815	24,991	30,884	31,510	30,101	29,543
Wastewater utility										
Number of sanitary sewer service connections	37,524	37,819	37,958	37,976	37,976	38,694	38,966	39,142	39,356	39,500
Daily average wastewater treatment in gallons	10,136,000	11,740,000	11,640,000	11,360,000	10,300,000	10,700,000	10,650,000	11,143,000	11,012,000	11,740,000
Maximum daily wastewater treatment capacity in gallons	17,320,000	13,290,000	13,776,000	16,568,000	12,240,000	15,000,000	12,700,000	15,170,000	11,668,500	13,190,000
Memorial airport										
Enplanements	6,386	3,114	2,298	3,697	10,512	12,396	5,324	9,011	7,898	3,279
Air traffic control tower operations	142,524	170,865	168,563	176,595	196,269	221,173	151,961	179,179	159,025	164,089
Pueblo Transit										
Ridership	1,009,852	993,404	903,046	877,227	861,728	831,954	496,555	472,117	543,077	621,188
Number of days service operated	307	307	308	299	307	309	307	310	308	309
Parking facilities										
Parking permits sold	4,317	3,355	4,756	3,814	3,240	3,686	1,748	527	505	401

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	73	68	64	62	78	75	75	71	76	84
Number of other police vehicles	125	125	140	148	163	152	154	145	144	137
Fire										
Number of stations	10	10	10	10	10	10	10	10	10	10
Public Works										
Miles of paved streets maintained	492	486	496	498	498	500	502	506	509	509
Miles of gravel streets maintained	6	6	6	6	6	6	6	6	6	6
Miles of alleys maintained	102	102	102	102	103	104	105	105	106	106
Parks and recreation										
Number of parks	127	127	127	127	127	119	119	119	80	80
Number of acres of parks	3406	3406	3950	4434	4425	4486	4486	4486	4486	4486
Number of playgrounds	47	47	47	47	42	42	42	39	40	41
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	35
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	468	468	464	464	464	466	468	470	472	474
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Stormwater utility										
Miles of storm sewers	118	118	118	119	168	171	173	175	177	179
Pueblo Transit										
Vehicles used in maximum service:										
Fixed Route	14	14	13	13	13	13	13	14	18	16
Citi-Lift	11	11	11	11	12	11	11	11	14	12

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, 2023, 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 25, 2024. Our report includes a reference to other auditors who audited the financial statements of the Pueblo Urban Renewal Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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 25, 2024

**Independent Auditors' Report
On Compliance For The Major Federal
Program, Report On Internal Control
Over Compliance**

City Council
City of Pueblo, Colorado

Report On Compliance For The Major Federal Program

Opinion On The 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 the City's major federal program for the year ended December 31, 2023. The City's major federal program is 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 its major federal program for the year ended December 31, 2023.

Basis For Opinion On The 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 Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Our responsibility under those standards and 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 the 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 the 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

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

RubinBrown LLP

September 25, 2024

CITY OF PUEBLO, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2023

Page 1 Of 2

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal ALN	Pass Through Entity Identifying Number	Expenditures	Amount Provided to Subrecipients
U.S. DEPARTMENT OF JUSTICE				
Direct Awards				
Edward Byrne Memorial Justice Assistance Grant Program	16.738		104,928	24,268
Equitable Sharing Program	16.922		42,563	-
Public Safety Partnership and Community Policing Grants	16.710		85,883	-
COVID-19 - Coronavirus Emergency Supplemental Funds	16.034		10,004	-
TOTAL U.S. DEPARTMENT OF JUSTICE			243,378	24,268
U.S. DEPARTMENT OF HOMELAND SECURITY				
Direct Award				
Assistance to Firefighters Grant	97.044		41,426	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			41,426	-
U.S. DEPARTMENT OF TREASURY				
Passed through Colorado Department of Local Affairs				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		10,253,801	3,306,012
TOTAL U.S. DEPARTMENT OF TREASURY			10,253,801	3,306,012
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Colorado Department of Transportation				
Highway Planning and Construction	20.205	21-HA2-XC-03180	72,819	-
Highway Planning and Construction	20.205	22-HA2-XC-00035	261,671	-
Highway Planning and Construction	20.205	19-HA2-XC-00135	659,007	-
Highway Planning and Construction	20.205	20-HA2-XC-03013	54,834	-
Highway Planning and Construction	20.205	21-HA2-XC-00024	763,576	-
Highway Planning and Construction	20.205	22-HA2-XC-00014	104,174	-
Highway Planning and Construction	20.205	22-HA2-XC-00058	41	-
Highway Planning and Construction	20.205	2024-2026	63,252	-
Total ALN 20.205			1,979,374	-
Passed Through Colorado Department of Transportation:				
Highway Safety Cluster				
State and Community Highway Safety	20.600	411021528/411025124	22,911	-
Total Highway Safety Cluster			22,911	-
Passed through Pueblo Area Council of Governments				
Metropolitan Transportation Planning & State & Non-Metro Planning Research	20.505	2020-2021	185,639	-
Highway Research and Development Program	20.200	411028459	3,883	-
Direct Awards				
Airport Improvement Program	20.106		103,814	-
COVID-19 - CARES Act Grant	20.106		648,946	-
Total ALN 20.106			752,760	-
Federal Transit Cluster				
Federal Transit Formula Grants 5307 (FY2021)	20.507		724,848	-
Federal Transit Formula Grants 5307 (FY2022)	20.507		641,647	-
Federal Transit Formula Grants 5307 (FY2023)	20.507		1,641,470	-
COVID-19 - CARES Act 5307	20.507		1,393,084	-
COVID-19 - ARP 5307	20.507		2,066	-
Total Federal Transit Cluster			4,403,115	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			7,347,682	-

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, 2023

Page 2 Of 2

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal ALN	Pass Through Entity Identifying Number	Expenditures	Amount Provided to Subrecipients
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct awards				
CDBG Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218		2,381,407	230,824
CDBG-CV	14.218		350,841	-
Total CDBG Entitlement Grants Cluster			<u>2,732,248</u>	<u>230,824</u>
Passed through Colorado Department of Local Affairs				
Community Development Block Grants/ State's Program	14.228	CDBGCV-CVS303	<u>145,436</u>	<u>-</u>
Direct awards				
Home Investments Partnerships Program	14.239		772,670	98,394
COVID-19 Home-ARP	14.239		52,750	-
Total ALN 14.239			<u>825,420</u>	<u>98,394</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>3,703,104</u>	<u>329,217</u>
U.S. DEPARTMENT OF ENVIRONMENT PROTECTION AGENCY				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818		120,903	-
TOTAL U.S. DEPARTMENT OF ENVIRONMENT PROTECTION AGENCY			<u>120,903</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		Grand Total:	<u><u>\$ 21,710,294</u></u>	<u><u>\$ 3,659,497</u></u>

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, 2023

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, 2023. 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, 2023

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 program:

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

Type of auditors' report issued on compliance for the major program Unmodified

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

Identification of the major federal program:

Assistance Listing No.	Name Of Federal Program Or Cluster
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery 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, 2023

Section II - Financial Statement Findings

None

Section III - Federal Award Findings And Questioned Costs

None