

Pueblo Urban Renewal Authority is pleased to present its annual financial report for the year ending December 31, 2023 in .pdf format.

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Pueblo Urban Renewal Authority
(A Component Unit of the City of Pueblo, Colorado)

Financial Statements and Report
of
Independent Certified Public Accountants

December 31, 2023

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PUEBLO URBAN RENEWAL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the Pueblo Urban Renewal Authority's financial performance gives an overview of the Authority's financial activities for the year ended December 31, 2023. The analysis should be read in conjunction with the Authority's financial statements that begin on page 4.

FINANCIAL HIGHLIGHTS

- The Authority's governmental activities net position decreased by \$6.96 million for the year ended December 31, 2023. The decrease is primarily due to current year economic development expenditures related to the St. Charles district of \$7.5 million. The business-type activities net position decreased by \$375 thousand. The decrease was primarily due to excess depreciation expense over operating transfers in. The combined primary government net position decreased by \$7.34 million.
- During 2023, the Authority's revenues totaled \$14.96 million of which \$11.94 million was for governmental activities. The revenue in governmental activities is primarily derived from property tax increment in the amount of \$6.60 million, state sales tax increment to fund the RTA Project in the amount of \$884 thousand, and vendors' fees in the amount of \$3.04 million. Business-type activities generated \$2.88 million in revenues from charges for services.
- During 2023, the governmental activities transferred \$3.10 million to the Convention Center business activity for operations and maintenance of the facility, debt service, and capital assets. The funds were generated by vendors' fees, sales tax increment, bond proceeds and loan proceeds.
- During 2023, the Authority's expenses totaled \$22.3 million, of which \$15.81 million was for governmental activities and \$6.49 million was for business-type activities.
- The Authority had total bonds, bank notes payable, obligations and financed purchases of \$135,818,936 at December 31, 2023, which is an decrease of \$2.00 million from 2022. The balance of the Evraz Series 2021A and B is \$91.160 million with an interest rate of 4.75% to 5% and maturing December 2045. The balance on the Refunding Downtown Expanded Series 2020 bond is \$3.685 million with an interest rate of 1.60% and maturing in December 2029. The balance on the Refunding Memorial Hall Series 2020 bond is \$8.364 million with an interest rate ranging from 2-4% and maturing in December 2038. The balance on the Refunding Pueblo Convention Center Series 2020 bond is \$2.701 million with and interest rate ranging from 2-4% and maturing in December 2038. The balance of the Regional Tourism Act Revenue bond is \$7.855 million with interest ranging from 2.25% to 5% and maturing in June 2036. The balance on the Refunding Lake Minnequa Series 2020 bond is \$1.860 million with interest rate of 2.95% and maturing in December 2032. The balance on the North Pueblo Series 2020 bond is \$2.520 million with an interest rate of 2.75% and maturing December 2030. The balance of the St. Charles TIF Series 2022 is \$15.946 million with an interest rate of 4.53%. and maturing December 2034. The balance of the Pueblo Convention Center financed purchases is \$131,463 with an interest rate ranging from 4.25-4.54% and maturing in 2026 and 2027.

In 2023, the Authority also received contributions from the City of Pueblo for debt service obligations. The City contributed \$253,200 or 40% of the annual bond payment and operations on the Main Street Parking Garage. The contributions were made under the terms of cooperation agreements in place between the City and the Authority.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 4-5) provide information about activities of the Authority as a whole and present a longer-term view of the Authority's finances (also known as government-wide statements). Fund financial statements start on page 6. For governmental activities, these statements (known as fund financial statements) tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Authority's operations in more detail than the government-wide statements by providing information about the Authority's most significant funds.

Reporting the Authority as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the Authority as a whole begins on page 4. The Statement of Net Position and the Statement of Activities report information about the Authority and its activities as a whole. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

These two statements report the Authority's net position and year over year changes. You can think of the Authority's net position – The difference between assets, deferred outflows of resources and liabilities and deferred inflows of resources – as one way to measure the Authority's financial health, or financial position. The net position is reported on one day in time, typically the last day of the year. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating.

Due to the nature of redevelopment financing and financial reporting requirements the Authority's liabilities normally exceed assets, thus resulting in a deficit in the governmental activities net position.

In the Statement of Net Position and the Statement of Activities, the Authority is divided into two kinds of activities:

- Governmental activities – The Authority's basic services are reported here. The Authority derives its primary source of revenue from Property Tax Increment, which is then used to help stimulate development by using a wide variety of techniques. The Authority currently participates in a multitude of projects, either by offering direct incentives to private developers, utilizing public/private partnerships, or by directly investing in public improvements. The Authority may only operate in City Council approved "project areas" and property tax increment may only be spent in the project area in which it was collected. Current Authority project areas include: the Expanded Downtown Project Area, the Lake Minnequa Project Area, the North Pueblo Project Area, the South Santa Fe Project Area, the Thunder Village Project Area, Thunder Village Project Area 2, the Saint Charles Project Area, Fountain Creek (East Side) Project Area, the Union Avenue Project Area, the Lower West Side Project Area, the Mitchell Park South Project Area, the EVRAZ Rail Project Area, the Regional Tourism Act Project, and the Vendor Fee (Memorial Hall).
- Business-type activities – The Pueblo Convention Center operations are reported here and include transfers in from the Vendor Fee (Memorial Hall) fund and the Regional Tourism fund to subsidize operations and debt services of the Convention Center.

Reporting the Authority's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 6 and provide detailed information about the most significant funds – not the Authority as a whole. The Authority's two kinds of funds – governmental and proprietary – use different types of accounting approaches.

Governmental Funds

The Authority reports the following major governmental funds:

- The general fund is the primary operating fund of the Authority and is always classified as a major fund. The general fund is used to account for all financial resources of the Authority except those resources, if any, that are required to be accounted for in a separate fund. Major revenue sources include investment earnings and administrative fees paid from the project areas from property tax revenues received in those areas. Primary expenditures include general government, economic development and interest on long-term debt. Other major funds of the Authority include the Expanded Downtown Project Area, Saint Charles Project Area, Lake Minnetonka Project Area, Regional Tourism Act Project, Vendor Fee (Memorial Hall) Fund, Evraz District, North Pueblo Project Area and the Debt Service Fund. All other funds, not considered major, are reported in Other Governmental Funds.

Proprietary Fund

The following is a description of the major proprietary fund of the Authority:

- The proprietary fund accounts for the operation of the Authority's Convention Center activities. Activities of the fund include operation and maintenance of the Convention Center, along with accumulation of resources for the payment of principal and interest on the revenue bonds outstanding. The Convention Center is managed by OVG 360 under a management agreement with the Authority. All costs of the Convention Center are financed through charges to users, along with transfers of vendor fee revenues from the Vendor Fee (Memorial Hall) fund and the Regional Tourism fund to subsidize operations and debt service payments.

The Authority as a Whole

The Authority's combined net position decreased in 2023 by \$7.336 million. The combined decrease came from a decrease of \$6.961 million in governmental activities and a decrease of \$375 thousand in business-type activities. The table below reports a summary of the Statement of Net Position.

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 12,153,560	\$ 9,338,196	\$ 2,584,819	\$ 2,101,340	\$ 14,738,379	\$ 11,439,536
Restricted assets	26,935,901	36,521,976	3,006,542	2,916,426	29,942,443	39,438,402
Capital assets, net	12,021,933	12,260,704	33,092,851	33,969,785	45,114,784	46,230,489
Total assets	<u>51,111,394</u>	<u>58,120,876</u>	<u>38,684,212</u>	<u>38,987,551</u>	<u>89,795,606</u>	<u>97,108,427</u>
Deferred outflows of resources	1,129,867	834,987	428,197	491,760	1,558,064	1,326,747
Current liabilities	127,631	226,591	993,968	762,120	1,121,599	988,711
Due to primary government	1,884,307	1,884,307	12,200,000	12,200,000	14,084,307	14,084,307
Long-term debt	125,123,675	126,913,964	10,695,261	10,902,780	135,818,936	137,816,744
Total liabilities	<u>127,135,613</u>	<u>129,024,862</u>	<u>23,889,229</u>	<u>23,864,900</u>	<u>151,024,842</u>	<u>152,889,762</u>
Deferred inflows of resources	9,356,245	7,220,598	8,612	24,509	9,364,857	7,245,107
Net investment in capital assets	8,452,881	8,145,976	13,668,717	11,395,839	22,121,598	19,541,815
Restricted for Debt Svc and district projects	318,340	245,469	-	-	318,340	245,469
Unrestricted (deficit)	(93,021,818)	(85,681,042)	1,545,851	4,194,063	(91,475,967)	(81,486,979)
Total Net Assets	<u>\$ (84,250,597)</u>	<u>\$ (77,289,597)</u>	<u>\$ 15,214,568</u>	<u>\$ 15,589,902</u>	<u>\$ (69,036,029)</u>	<u>\$ (61,699,695)</u>

The following table is a brief summary of the reported changes in net position:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
<u>Program Revenues</u>						
Charges for services	\$ 456,464	\$ 265,763	\$ 2,876,590	\$ 2,386,388	\$ 3,333,054	\$ 2,652,151
Grants and contributions	366,061	420,820	-	38,000	366,061	458,820
<u>General revenues</u>						
Property Taxes	6,594,139	5,204,936	-	-	6,594,139	5,204,936
Sales tax increment	883,612	5,381,189	-	-	883,612	5,381,189
Vendors' fee	3,037,007	3,075,796	-	-	3,037,007	3,075,796
Interest earnings (loss)	606,013	(115,018)	166,171	59,382	772,184	(55,636)
Miscellaneous	176	11,989	(24,238)	-	(24,062)	11,989
Total Revenues	<u>11,943,472</u>	<u>14,245,475</u>	<u>3,018,523</u>	<u>2,483,770</u>	<u>14,961,995</u>	<u>16,729,245</u>
Expenses						
General Government	2,391,328	1,497,880	-	-	2,391,328	1,497,880
Economic Development	8,005,638	17,678,767	-	-	8,005,638	17,678,767
Interest on long term debt	5,411,379	4,743,048	-	-	5,411,379	4,743,048
Convention Center	-	-	6,489,984	5,762,562	6,489,984	5,762,562
Total Expenses	<u>15,808,345</u>	<u>23,919,695</u>	<u>6,489,984</u>	<u>5,762,562</u>	<u>22,298,329</u>	<u>29,682,257</u>
Increase(decrease) in net position	(3,864,873)	(9,674,220)	(3,471,461)	(3,278,792)	(7,336,334)	(12,953,012)
Transfers in/(out)	<u>(3,096,127)</u>	<u>(5,566,566)</u>	<u>3,096,127</u>	<u>5,566,566</u>	<u>-</u>	<u>-</u>
Changes in net position	(6,961,000)	(15,240,786)	(375,334)	2,287,774	(7,336,334)	(12,953,012)
Net position (deficit), January 1	<u>(77,289,597)</u>	<u>(62,048,811)</u>	<u>15,589,902</u>	<u>13,302,128</u>	<u>(61,699,695)</u>	<u>(48,746,683)</u>
Net position (deficit), December 31	<u>\$(84,250,597)</u>	<u>\$(77,289,597)</u>	<u>\$15,214,568</u>	<u>\$15,589,902</u>	<u>\$(69,036,029)</u>	<u>\$(61,699,695)</u>

Governmental Activities-Change in Net Position

The Authority's governmental activities program revenue for 2023 was \$822,525 and the general revenue including gains incurred on investments was \$11.121 million. Expenses totaled \$15.808 million. The resulting change in net position, after transfers, for governmental activities was a decrease of \$6.961 million. The decrease was due to large economic development expenses related to the St. Charles district funded by debt proceeds. The related debt will be repaid by future property tax increment assessed on St. Charles project area improvements.

The governmental activities primary revenue source is from vendors' fees and property tax increment. The Authority anticipates future property tax increment and vendors' fee revenues will be adequate to cover project expenses and debt service.

Due to the nature of redevelopment financing and financial reporting requirements the Authority liabilities normally exceed assets, thus resulting in a deficit in the governmental activities net position.

Business-Type Activities- Change in Net Position

Program revenues from the Authority's business-type activities which include the Pueblo Convention Center totaled \$2.877 million. Expenses totaled \$6.490 million. The resulting change in net position, after transfers, for business-type activities was a decrease of \$375 thousand. The decrease is primarily due to transfer of property tax increment and vendor fee revenues being insufficient to cover the net operating loss which included \$1.387 million in depreciation expense.

The Authority’s Funds

The governmental funds consist of the general fund, seven (7) major special revenue funds, one (1) debt service fund, and four (4) non-major special revenue funds. South Santa Fe, Mitchell Park South, Demonstration and Union Avenue have been included with the general fund because they do not meet the criteria of special revenue funds under generally accepted accounting principles. Revenues and expenditures of the property tax increment project areas and the Vendor Fee (Memorial Hall) project are included in these funds. The fund balances are reported as non-spendable, restricted, committed, assigned or unassigned.

Capital Assets

At the end of 2023, the Authority had \$45.115 million invested in capital assets. The amount represents a decrease of \$1.116 million from 2022. These capital assets include land, buildings, improvements, along with furniture and fixtures. The Authority strives to maintain its assets in good working condition.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Non-depreciable assets:						
Land	\$ 953,553	\$ 953,553	\$ 326,094	\$ 326,094	\$ 1,279,647	\$ 1,279,647
Medal of Honor Memorial	-	-	295,097	295,097	295,097	295,097
Depreciable assets:						
Buildings	10,166,054	10,400,863	30,666,254	31,807,436	40,832,308	42,208,299
Improvements	878,364	906,288	713,620	801,725	1,591,984	1,708,013
Right-to-use assets	23,962	-	-	-	23,962	-
Fixtures	-	-	1,091,786	739,433	1,091,786	739,433
Totals:	<u>\$12,021,933</u>	<u>\$12,260,704</u>	<u>\$33,092,851</u>	<u>\$33,969,785</u>	<u>\$45,114,784</u>	<u>\$46,230,489</u>

**Debt Administration
Bonds Payable**

The Authority has outstanding bonds payable of \$134.091 million which is a decrease of \$2.769 million from 2022.

	Issue Date	Maturity Date	Purpose	Issue Amount	Interest Rate	12/31/2023 Balance
A	2017	2036	RTA Project	\$17,030,000	2.25% to 5.00% (tax exempt)	7,855,000
B	2020	2029	Downtown Expanded	\$5,945,000	1.60% (tax exempt)	3,685,000
C	2020	2030	North Pueblo	\$3,825,000	2.75% (tax exempt)	2,520,000
D	2020	2032	Lake Minnequa District	\$2,545,000	2.95% (tax exempt)	1,860,000
E	2020	2038	Historic Memorial Hall	\$9,640,937	2.00% to 4.00% (taxable)	8,363,541
F	2020	2038	Convention Center	\$3,114,063	2.00% to 4.00% (taxable)	2,701,459
G	2021	2045	Evraz Project Area	\$91,160,033	4.75% to 5.00% (tax exempt)	91,160,033
H	2022	2032	St. Charles	\$17,020,000	4.53% (tax exempt)	15,945,857
Total outstanding bonds						<u>\$ 134,090,890</u>

- A. In 2017, revenue bonds of \$17.030 million were issued to assist in the financing and construction of the Regional Tourism Act Projects phase 1 and component parts of 2 and 3 consisting of the Expansion of the Pueblo Convention Center and the Professional Bull Riders Sports Performance Center. The interest on the bonds ranges from 2.25% to 5% and will mature June 2036. Incremental property tax from the RTA project area is pledged as repayment on this bond.
- B. In 2006, revenue bonds of \$9.5 million were issued to assist in the financing and construction of a parking garage. The incremental property tax collected from 2007 to 2030 from the Downtown Expanded Project Area is pledged to repay the 2006 series bonds. In addition, the Authority has entered into a cooperation agreement with the City to share the debt service and other expenses incurred related to the 2006 bonds in the ratio of 40% to be paid by the City and 60% to be paid by the Authority. In 2008, the Authority converted these bonds to tax-exempt bonds resulting in interest savings of \$2.7 million over the remaining term. In 2017, a Revenue refunding took place for a total of \$7,363,000 principal with an interest rate of 3.95% to mature in 2029. In 2020, an advance refunding took place for a total of \$5,945,000 principal with an interest rate of 1.60% to mature in 2029. The Downtown Expanded Project Area incremental property tax is pledged to repay these bonds.
- C. In December 2013, a \$4 million multi-draw term bank note was executed to fund the North Pueblo Dillon Flyover Project. The interest rate was 3.95% due in annual installments of \$327,942. In 2020, a Revenue refunding took place for a total of \$2,476,110 outstanding balance of the bank note, and \$1,509,744 note payable to the City from past shortfalls, with an interest rate of 2.75% maturing in 2030. The Authority maintains a cooperation agreement with the City of Pueblo, whereby, the City agreed to contribute an amount equal to the debt service payment shortfall until the project area can generate revenues to satisfy the debt service payment. The Authority has agreed to repay the City contributions with simple interest at 5%. The City did not pay any debt service shortfalls in 2023.
- D. 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 with an interest rate of 3.95% maturing in 2032, which were issued to provide funds for the construction of certain infrastructure and other improvements in the Lake Minnequa district. Interest and principal on this note are payable from the pledged incremental property taxes generated within the Lake Minnequa district. In 2020, an advance refunding took place when \$2,545,000 of 2020 incremental tax revenue bonds were issued with a total of \$2,172,594 remaining outstanding balance, and \$500,000 for additional district infrastructure improvements, with an interest rate of 2.95% maturing 2032.
- E. In 2020, the Authority entered a partial refunding of the Memorial Hall Series 2011B bonds. The Memorial Hall Series 2020 bond attributed \$9,640,937 to governmental activities (Memorial Hall). Interest and principal are payable from the proceeds of the pledged revenue which consists of 3.3% of the City of Pueblo's sales and use tax collections known as Vendors' Fees.
- F. In conjunction with the partial refunding of the Memorial Hall Series 2011B bonds the Pueblo Convention Center 2011B bonds were also partially refunded. The Pueblo Convention Center Series 2020 bond attributed \$3,114,063 to business type activities (Pueblo Convention Center). Interest and principal are payable from the proceeds of the pledged revenue which consists of 3.3% of the City of Pueblo's sales and use tax collections known as Vendors' Fees that are reported as revenue in the Memorial Hall fund and subsequently transferred to the Convention Center fund for debt service.
- G. 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 of 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.

- H. In 2022, 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.

Due From/To Primary Government

The Authority has several agreements with the City of Pueblo for various projects and activities as follows:

	Governmental Activities	
	2023	2022
Due to City of Pueblo for,		
Gateway Plaza	\$ 1,884,307	\$ 1,884,307
Convention Center note	12,200,000	12,200,000
Total Due to Primary Government	\$14,084,307	\$14,084,307

- The parking garage expenses result from a letter of understanding between the City and the Authority whereby the Authority and City share the net costs of the parking facility. The Authority owns the building and the City owns the ground. The City is responsible for 40% of the net costs and the Authority is responsible for 60% of net costs. During 2023, the City of Pueblo contributed \$253,200 to the Authority for their portion of the annual debt service on the Downtown Expanded Series 2020 Bond.
- During 2013, the Authority entered into a construction and maintenance agreement with the City of Pueblo for the Lake Avenue Streetscape project. As a part of the agreement, the City agreed to pay for drainage, storm water and sanitary sewer upgrades in the area. The City has fully reimbursed the Authority. In addition, the Agreement assigns the responsibility for maintenance of the improvements to the Authority for the next 20 years ending in 2031.
- During 2017, the Authority entered into two promissory notes totaling \$14.4 million with the City of Pueblo for the Regional Tourism Act Projects consisting of the expansion to the Pueblo Convention Center, Professional Bull Riders Sports Center and Gateway Plaza. The total drawn and outstanding on these notes at December 31, 2023 is \$14,084,307.

Contingencies and Commitments

The following commitments are not reflected on the Authority's financial statements. They are, however, included in the footnotes to the financial statements. The Authority will record the liabilities for these commitments when property tax increment dollars are collected and expended by the Authority.

- The Authority entered into an agreement with Thunder Village Metropolitan District (the District) which provides that the Authority will reimburse the District for the costs of certain public improvements. As of December 31, 2023, the District has approximately \$6,371,740 of unreimbursed expenses. The Authority's obligation, however, is limited to the amount of actual incremental property taxes generated within the project taxing area with the Thunder Village urban renewal area until 2032 and the Thunder Village Project 2 urban renewal area until 2045.
- The Authority has also entered into a reimbursement agreement with Vestas Towers America, Inc. in conjunction with the creation of the St. Charles district urban renewal project area. This agreement provides that the Authority will reimburse Vestas Towers America, Inc. for its costs incurred for certain public improvements. The Authority is obligated to reimburse Vestas Towers America, Inc. up to \$12,500,000 plus 4.5% interest per annum subject to the collection of the related tax increment revenues. This agreement also provides that the Authority will pay 50% of the personal property taxes assessed for a period of 10 years beginning in 2012. In conjunction with the reimbursement agreement described above, the Authority also approved a cooperation agreement with the City of

Pueblo whereby the Authority will pay to the City of Pueblo, an amount equal to the City's proportion of the total mill levy. In addition, the Authority committed to pay \$6,826,000 to the County of Pueblo and the Board of Water Works of Pueblo after Vestas Towers America, Inc. which has been paid in full.

- In 2012, the City of Pueblo and the Authority, in conjunction with the Colorado Economic Development Commission, approved a resolution dedicating specified sales tax increment revenue for approved regional tourism projects which have all been completed (See Note 8). 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.

Budgetary Highlights

The Authority adopts budgets for all funds and each fund uses the current financial resources measurement and the modified accrual basis of accounting in preparing the budgets. Expenditure estimates in the annual budgets are enacted into law through the passage of a resolution. The board of commissioners may amend the original adopted budget during the year by passing a new resolution to reflect current needs. The level of budgetary control for all funds is at the total fund level which means that total uses cannot exceed total appropriations for that fund. Detailed budget comparison schedules for each fund can be found in the supplementary information section of the audited financial statements. The 2023 budget was amended for additional expenditures.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances for all interested parties. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Executive Director of the Pueblo Urban Renewal Authority Board, 115 E. Riverwalk, Unit 410, Pueblo, CO 81003

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Independent Auditors' Report

1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120

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Board of Commissioners
Pueblo Urban Renewal Authority
Pueblo, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Pueblo Urban Renewal Authority (the Authority) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Pueblo Urban Renewal Authority 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.

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 the financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pueblo Urban Renewal Authority 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 opinion.

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 Pueblo Urban Renewal Authority's ability to continue as a going concern for twelve 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 opinion. 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 GAS, 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 GAS, 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 Pueblo Urban Renewal Authority'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 Pueblo Urban Renewal Authority'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

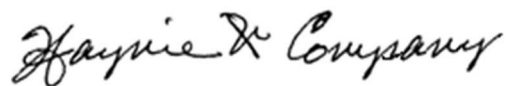
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension schedule as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules as listed in the table of contents 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. In our opinion, the combining and individual nonmajor fund financial statements and other schedules as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2024, on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.



Littleton, Colorado

April 9, 2024

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BASIC FINANCIAL STATEMENTS

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PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Statement of Net Position

December 31, 2023

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 1,891,799	\$ 2,266,261	\$ 4,158,060
Restricted cash and cash equivalents	20,634	-	20,634
Receivables	10,126,386	288,822	10,415,208
Internal balances	29,167	(29,167)	-
Inventory and prepaid items	106,208	58,903	165,111
Restricted assets under debt obligations:			
Cash and cash equivalents	17,126,789	-	17,126,789
Investments	9,788,478	3,006,542	12,795,020
Capital assets, net of accumulated depreciation:			
Land and non-depreciable assets	953,553	621,191	1,574,744
Buildings	10,166,054	30,666,254	40,832,308
Improvements	878,364	713,620	1,591,984
Right of use assets - leases	11,813	-	11,813
Right of use assets - SBITA	12,149	-	12,149
Furniture and fixtures	-	1,091,786	1,091,786
Total capital assets, net	<u>12,021,933</u>	<u>33,092,851</u>	<u>45,114,784</u>
TOTAL ASSETS	<u>51,111,394</u>	<u>38,684,212</u>	<u>89,795,606</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts on refunding	628,548	428,197	1,056,745
Deferred outflows related to pension	470,188	-	470,188
Deferred outflows related to OPEB	31,131	-	31,131
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,129,867</u>	<u>428,197</u>	<u>1,558,064</u>
LIABILITIES			
Accounts payable and accrued expenses	127,631	824,916	952,547
Advances from others	-	169,052	169,052
Due to primary government	1,884,307	12,200,000	14,084,307
Long-term liabilities:			
Due within one year	3,229,358	309,052	3,538,410
Due in more than one year	121,894,317	10,386,209	132,280,526
TOTAL LIABILITIES	<u>127,135,613</u>	<u>23,889,229</u>	<u>151,024,842</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	4,052	-	4,052
Deferred inflows related to OPEB	18,839	-	18,839
Deferred inflows related to leases	-	8,612	8,612
Property taxes	9,333,354	-	9,333,354
TOTAL DEFERRED INFLOW OF RESOURCES	<u>9,356,245</u>	<u>8,612</u>	<u>9,364,857</u>
NET POSITION			
Net investment in capital assets	8,452,881	13,668,717	22,121,598
Restricted district projects	318,340	-	318,340
Unrestricted (deficit)	(93,021,818)	1,545,851	(91,475,967)
TOTAL NET POSITION (Deficit)	<u>\$ (84,250,597)</u>	<u>\$ 15,214,568</u>	<u>\$ (69,036,029)</u>

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

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the 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
Governmental Activities:				
General government	\$ 2,391,328	\$ 456,464	\$ 239,961	\$ -
Economic development	8,005,638	-	-	126,100
Interest and related costs	5,411,379	-	-	-
Total Governmental Activities	15,808,345	456,464	239,961	126,100
Business-Type Activities:				
Convention Center	6,489,984	2,876,590	-	-
Total Business-Type Activities	6,489,984	2,876,590	-	-
TOTAL	\$ 22,298,329	\$ 3,333,054	\$ 239,961	\$ 126,100

Taxes:

Property taxes levied for general purposes

Property taxes levied for debt service

Property taxes levied for reimbursement agreements

Sales tax increment

Vendor's fee

Gain/(loss) on asset exchange

Investment earnings (loss)

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

NET POSITION (Deficit), BEGINNING

NET POSITION (Deficit), ENDING

The accompanying notes are an integral part of these financial statements

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
\$ (1,694,903)	\$ -	\$ (1,694,903)
(7,879,538)	-	(7,879,538)
<u>(5,411,379)</u>	<u>-</u>	<u>(5,411,379)</u>
<u>(14,985,820)</u>	<u>-</u>	<u>(14,985,820)</u>
-	<u>(3,613,394)</u>	<u>(3,613,394)</u>
-	<u>(3,613,394)</u>	<u>(3,613,394)</u>
<u>\$ (14,985,820)</u>	<u>\$ (3,613,394)</u>	<u>\$ (18,599,214)</u>
\$ 9,032	\$ -	\$ 9,032
2,234,220	-	2,234,220
4,350,887	-	4,350,887
883,612	-	883,612
3,037,007	-	3,037,007
-	(24,238)	(24,238)
606,013	166,171	772,184
176	-	176
<u>(3,096,127)</u>	<u>3,096,127</u>	<u>-</u>
<u>8,024,820</u>	<u>3,238,060</u>	<u>11,262,880</u>
<u>(6,961,000)</u>	<u>(375,334)</u>	<u>(7,336,334)</u>
<u>(77,289,597)</u>	<u>15,589,902</u>	<u>(61,699,695)</u>
<u>\$ (84,250,597)</u>	<u>\$ 15,214,568</u>	<u>\$ (69,036,029)</u>

The accompanying notes are an integral part of these financial statements

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Balance Sheet Governmental Funds December 31, 2023

ASSETS	SPECIAL REVENUE FUNDS			
	GENERAL FUND	REGIONAL TOURISM	VENDOR FEE	EXPANDED DOWNTOWN DISTRICT
Cash and cash equivalents	\$ 1,606,093	\$ -	\$ -	\$ 23
Restricted cash and cash equivalents	20,634	4,406,788	-	963,723
Restricted investments	-	-	1,590,079	-
Accounts and other receivables	1,854	170,463	524,225	90,654
Property taxes receivable	101,140	-	-	895,063
Notes receivable	5,836	-	-	-
Prepaid expenses	106,208	-	-	-
Advance to other funds	29,167	-	-	-
TOTAL ASSETS	\$ 1,870,932	\$ 4,577,251	\$ 2,114,304	\$ 1,949,463
 LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 14,155	\$ -	\$ -	\$ 538
Accrued liabilities	23,768	-	-	-
TOTAL LIABILITIES	37,923	-	-	538
 DEFERRED INFLOWS OF RESOURCES				
Property taxes	101,140	-	-	895,063
TOTAL DEFERRED INFLOWS OF RESOURCES	101,140	-	-	895,063
 FUND BALANCES				
Nonspendable	106,208	-	-	-
Restricted	32,634	4,577,251	2,114,304	1,053,862
Unassigned	1,593,027	-	-	-
TOTAL FUND BALANCES	1,731,869	4,577,251	2,114,304	1,053,862
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,870,932	\$ 4,577,251	\$ 2,114,304	\$ 1,949,463

**SPECIAL
REVENUE FUNDS**

ST. CHARLES DISTRICT	LAKE MINNEQUA DISTRICT	NORTH PUEBLO DISTRICT	EVRAZ DISTRICT	OTHER GOVERNMENTAL FUNDS	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
\$ 236,428	\$ -	\$ -	\$ -	\$ 49,255	\$ -	\$ 1,891,799
9,403,731	417,856	385,554	1,549,137	-	-	17,147,423
-	-	-	8,198,399	-	-	9,788,478
-	-	-	-	-	-	787,196
3,561,934	1,033,751	837,066	2,536,307	368,093	-	9,333,354
-	-	-	-	-	-	5,836
-	-	-	-	-	-	106,208
-	-	-	-	-	-	29,167
<u>\$ 13,202,093</u>	<u>\$ 1,451,607</u>	<u>\$ 1,222,620</u>	<u>\$ 12,283,843</u>	<u>\$ 417,348</u>	<u>\$ -</u>	<u>\$ 39,089,461</u>
\$ 86,000	\$ 3,171	\$ -	\$ -	\$ -	\$ -	\$ 103,864
-	-	-	-	-	-	23,768
<u>86,000</u>	<u>3,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,632</u>
3,561,934	1,033,751	837,066	2,536,307	368,093	-	9,333,354
<u>3,561,934</u>	<u>1,033,751</u>	<u>837,066</u>	<u>2,536,307</u>	<u>368,093</u>	<u>-</u>	<u>9,333,354</u>
-	-	-	-	-	-	106,208
9,554,159	414,685	385,554	9,747,536	49,255	-	27,929,240
-	-	-	-	-	-	1,593,027
<u>9,554,159</u>	<u>414,685</u>	<u>385,554</u>	<u>9,747,536</u>	<u>49,255</u>	<u>-</u>	<u>29,628,475</u>
<u>\$ 13,202,093</u>	<u>\$ 1,451,607</u>	<u>\$ 1,222,620</u>	<u>\$ 12,283,843</u>	<u>\$ 417,348</u>	<u>\$ -</u>	<u>\$ 39,089,461</u>

PUEBLO URBAN RENEWAL AUTHORITY
(a component unit of the City of Pueblo, Colorado)
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
For the Year Ended December 31, 2023

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

Total fund balance - governmental funds	\$ 29,628,475
---	---------------

The deferred outflows below are not current assets or financial resources; and the deferred inflows are not due and payable in the current period and therefore are not reported in the governmental funds.

Deferred amounts on refunding	628,548
Deferred outflows related to pension	470,188
Deferred outflows related to OPEB	31,131
Deferred inflows related to pension	(4,052)
Deferred inflows related to OPEB	(18,839)

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

Capital assets	13,660,752
Accumulated depreciation and amortization	(1,638,819)
Net capital assets	12,021,933

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet. Long-term liabilities at year-end consist of:

Revenue bonds payable	(123,534,431)
Premium on revenue bonds payable	(191,258)
Lease obligations	(12,431)
Subscription-based information technology arrangements (SBITA) obligations	(12,757)
Due to primary government	(1,884,307)
Net pension liability	(812,888)
Net OPEB liability	(53,360)
Accrued interest payable	(440,144)
Compensated absences	(66,405)
Total long-term liabilities	(127,007,981)

Total net position - governmental activities	\$ (84,250,597)
---	------------------------

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

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PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Governmental Funds

**Combined Statement of Revenues, Expenditures
and Changes in Fund Balances**

December 31, 2023

	SPECIAL REVENUE FUNDS			
	GENERAL FUND	REGIONAL TOURISM	VENDOR FEE	EXPANDED DOWNTOWN DISTRICT
REVENUES:				
Property taxes	\$ 6,506	\$ -	\$ -	\$ 721,248
Intergovernmental	-	883,612	-	253,561
Charges for services	357,416	-	-	90,120
Vendor fees	-	-	3,037,007	-
Investment earnings (loss)	2,130	-	83,578	1,422
Contributions	112,500	-	-	-
Miscellaneous	2,675	8,151	-	-
TOTAL REVENUES	481,227	891,763	3,120,585	1,066,351
EXPENDITURES:				
Current:				
General government	1,394,509	3,000	3,118	34,367
Economic development	130,786	-	149,695	102,617
Debt Service:				
Principal	6,304	-	-	-
Interest	2,252	-	-	-
Capital outlay	37,949	-	-	-
TOTAL EXPENDITURES	1,571,800	3,000	152,813	136,984
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,090,573)	888,763	2,967,772	929,367
OTHER FINANCING SOURCES (USES)				
Issuance of lease and SBITA obligations	19,242	-	-	-
Transfers in	1,160,055	-	-	-
Transfers out	-	(712,290)	(3,055,084)	(719,539)
TOTAL OTHER FINANCING SOURCES (USES)	1,179,297	(712,290)	(3,055,084)	(719,539)
NET CHANGE IN FUND BALANCES	88,724	176,473	(87,312)	209,828
FUND BALANCES, BEGINNING	1,643,145	4,400,778	2,201,616	844,034
FUND BALANCES, ENDING	\$ 1,731,869	\$ 4,577,251	\$ 2,114,304	\$ 1,053,862

**SPECIAL
REVENUE FUNDS**

ST. CHARLES DISTRICT	LAKE MINNEQUA DISTRICT	NORTH PUEBLO DISTRICT	EVRAZ DISTRICT	OTHER GOVERNMENTAL FUNDS	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
\$ 2,691,639	\$ 814,830	\$ 697,347	\$ 1,547,737	\$ 112,306	\$ -	\$ 6,591,613
-	-	-	-	-	-	1,137,173
-	-	-	-	-	-	447,536
-	-	-	-	-	-	3,037,007
3,109	-	71	516,406	74	-	606,790
-	-	-	-	-	-	112,500
10	10	7	-	-	-	10,853
<u>2,694,758</u>	<u>814,840</u>	<u>697,425</u>	<u>2,064,143</u>	<u>112,380</u>	<u>-</u>	<u>11,943,472</u>
637,922	10	8	17,649	-	-	2,090,583
7,527,750	41,414	-	-	53,376	-	8,005,638
-	-	-	-	-	2,600,215	2,606,519
-	-	-	-	-	5,376,257	5,378,509
-	-	-	-	-	-	37,949
<u>8,165,672</u>	<u>41,424</u>	<u>8</u>	<u>17,649</u>	<u>53,376</u>	<u>7,976,472</u>	<u>18,119,198</u>
(5,470,914)	773,416	697,417	2,046,494	59,004	(7,976,472)	(6,175,726)
-	-	-	-	-	-	19,242
-	-	-	-	-	7,976,472	9,136,527
<u>(1,989,525)</u>	<u>(694,228)</u>	<u>(663,100)</u>	<u>(4,348,513)</u>	<u>(50,375)</u>	<u>-</u>	<u>(12,232,654)</u>
<u>(1,989,525)</u>	<u>(694,228)</u>	<u>(663,100)</u>	<u>(4,348,513)</u>	<u>(50,375)</u>	<u>7,976,472</u>	<u>(3,076,885)</u>
(7,460,439)	79,188	34,317	(2,302,019)	8,629	-	(9,252,611)
<u>17,014,598</u>	<u>335,497</u>	<u>351,237</u>	<u>12,049,555</u>	<u>40,626</u>	<u>-</u>	<u>38,881,086</u>
<u>\$ 9,554,159</u>	<u>\$ 414,685</u>	<u>\$ 385,554</u>	<u>\$ 9,747,536</u>	<u>\$ 49,255</u>	<u>\$ -</u>	<u>\$ 29,628,475</u>

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the 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

Net change in fund balances - total governmental funds \$ (9,252,611)

Capital outlays are reported in the governmental funds as an expenditure; however, for governmental activities, these costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay.

Depreciation expense	(281,440)
Amortization of right to use leased and SBITA assets	(7,530)
Capital outlay	<u>37,949</u>
Net amount	(251,021)

The governmental funds report the proceeds from the issuance of notes payable and other obligations as other financing sources and the repayments of principal on these notes and other obligations as expenditures. Interest expense is recognized as an expenditure in the governmental funds when it is due, while interest expense is recognized when incurred in the statement of activities. In addition, interest expense reported in the statement of activities includes amortization of bond issuance premiums and deferred amounts on refunding which are recognized in the governmental funds in the period incurred. The net effect of these differences in the treatment of notes payable and other liabilities is as follows:

Amortization of interest-related costs	(53,497)
Amortization of bond premium	12,750
Interest expense on bonds, notes and balance due to primary government - change in accrual	7,877
Issuance of leases and SBITA obligations	(19,242)
Principal payments on debt obligations	<u>2,606,519</u>
Net amount	2,554,407

In the statement of activities, certain operating expenses are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount paid.

Compensated absences paid (\$82,595) was less than amounts earned (\$67,786)	14,809
Recognition and measurement of the changes in the net pension asset, together with pension-related deferred outflows of resources and deferred inflows of resources in the financial statements using the economic resources measurement focus and the accrual basis of accounting are not current financial resources and, therefore, are not reported in the governmental funds.	(28,481)
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 using the economic resources measurement focus and the accrual basis of accounting are not current financial resources and, therefore, are not reported in the governmental funds.	<u>1,897</u>

Change in net position - governmental activities \$ (6,961,000)

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

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Proprietary Fund
Statement of Net Position
December 31, 2023

	Business-Type Activity <u>Enterprise Fund</u> <u>Convention Center</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 2,266,261
Accounts receivable	279,952
Lease receivable	8,870
Inventories	37,828
Prepaid expenses	21,075
Restricted investments	<u>3,006,542</u>
Total Current Assets	<u>5,620,528</u>
Non-Current Assets:	
Capital assets:	
Land	326,094
Medal of honor	295,097
Buildings	40,142,847
Improvements	1,793,122
Furniture & fixtures	2,113,938
Accumulated depreciation	<u>(11,578,247)</u>
Total capital assets	<u>33,092,851</u>
Total Non-Current Assets	<u>33,092,851</u>
TOTAL ASSETS	<u>38,713,379</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	<u>428,197</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	246,747
Accrued expenses	578,169
Due to other funds	29,167
Advances from others	169,052
Accrued interest payable	36,388
Current portion of obligations under financed purchases	42,632
Current portion of bonds payable	<u>230,032</u>
Total Current Liabilities	<u>1,332,187</u>
Non-Current Liabilities:	
Obligations under financed purchases	88,831
Due to primary government	12,200,000
Bonds payable	<u>10,297,378</u>
Total Non-Current Liabilities	<u>22,586,209</u>
TOTAL LIABILITIES	<u>23,918,396</u>
DEFERRED INFLOWS OF RESOURCES	
Leases	<u>8,612</u>
NET POSITION	
Net investment in capital assets	13,668,717
Unrestricted	<u>1,545,851</u>
TOTAL NET POSITION	<u>\$ 15,214,568</u>

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

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Proprietary Fund

Statement of Revenues, Expenditures and Changes in Fund Net Position

For the Year Ended December 31, 2023

	Business-Type Activity <u>Enterprise Fund</u> <u>Convention Center</u>
OPERATING REVENUES	
Charges for services	\$ <u>2,876,590</u>
TOTAL OPERATING REVENUES	<u>2,876,590</u>
OPERATING EXPENSES	
Contractual expenses	3,869,985
General administration	350,000
Depreciation	<u>1,386,916</u>
TOTAL OPERATING EXPENSES	<u>5,606,901</u>
OPERATING INCOME (LOSS)	<u>(2,730,311)</u>
NON-OPERATING REVENUES (EXPENSES)	
Loss on disposal of assets	(24,238)
Interest income	150,274
Rental income	15,897
Interest expense	<u>(883,083)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(741,150)</u>
INCOME (LOSS) BEFORE TRANSFERS	(3,471,461)
Transfers in - capital	534,220
Transfers in - operating	<u>2,561,907</u>
CHANGE IN NET POSITION	<u>(375,334)</u>
NET POSITION, BEGINNING OF YEAR	<u>15,589,902</u>
NET POSITION, END OF YEAR	<u>\$ 15,214,568</u>

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

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Proprietary Fund

Statement of Cash Flows

For the Year Ended December 31, 2023

	Business-Type Activity Enterprise Fund Convention Center
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 2,866,138
Cash paid for goods and services	(3,815,949)
Cash paid for interfund services	(341,666)
NET CASH FROM OPERATING ACTIVITIES	<u>(1,291,477)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	149,364
Sale of investments	668,472
Purchase of investments	(758,586)
Rent income	18,000
NET CASH FROM INVESTING ACTIVITIES	<u>77,250</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers in	1,632,799
NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES	<u>1,632,799</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Debt-related transfers in	929,108
Capital expenditures	(379,126)
Capital-related transfers in	534,220
Interest paid on capital-related debt	(817,338)
Principal paid on capital-related debt	(209,702)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>57,162</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	475,734
CASH AND CASH EQUIVALENTS	
Beginning of Year	<u>1,790,527</u>
End of Year	<u>\$ 2,266,261</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (2,730,311)
Depreciation	1,386,916
Change in accounts receivable, net	(5,203)
Change in inventory	(10,614)
Change in prepaids	(17,353)
Change in accounts payable and accrued expenses	82,003
Change in amounts due for interfund services	8,334
Change in deposits	(5,249)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (1,291,477)</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Fixed assets purchased with accounts payable	<u>\$ 155,094</u>
Loss on disposal of fixed assets	<u>\$ 24,238</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

PUEBLO URBAN RENEWAL AUTHORITY
(A COMPONENT UNIT OF THE CITY OF PUEBLO, COLORADO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Pueblo Urban Renewal Authority (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The significant accounting principles and policies utilized by the Authority are described below:

Reporting Entity

The Authority, an independent body corporate and politic, was established on March 9, 1959, by the City Council of the City (the “City Council”) pursuant to the Urban Renewal Law, for the purpose of undertaking certain urban renewal activities within the City and stimulate development in specifically designated Urban Renewal Areas (“Project Areas”). The City Council has approved 12 active Project Areas to be carried out by the Authority.

For financial reporting purposes, The Authority is a component unit of the City of Pueblo. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The City is financially accountable because the mayor appoints the majority of the Authority’s Board of Commissioners, subject to City Council approval, and the Authority cannot actually undertake any urban renewal projects unless the City approves an urban renewal plan.

As required by GAAP, management has considered all potential component units in defining its reporting entity. Based on the criteria established by GAAP, the Authority has no component units.

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the Authority 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 the activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

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 property tax increment or other unrestricted revenues.

PUEBLO URBAN RENEWAL AUTHORITY
(A COMPONENT UNIT OF THE CITY OF PUEBLO, COLORADO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Separate fund financial statements are provided for the governmental funds and the proprietary fund. Major individual governmental funds and the major individual enterprise fund are reported in 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 government-wide focus is more on the sustainability of the Authority as a whole 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. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

Measurement Focus and 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 fund financial statements for the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property tax increment is recognized as revenues in the year for which they are levied.

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 to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenue to be available if collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred as is the case with accrual accounting. However, debt service expenditures are recorded only when the liability has matured and payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds, while issuance of long-term debt is reported as other financing sources.

Property tax increment, interest, grants and charges for services are considered susceptible to accrual, while other revenues are recorded when received in cash because they are generally not measurable until received in cash.

Governmental activities, business-type activities and the proprietary fund are accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these activities are included on the statements of net position. The proprietary fund-type operating statement distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operation.

PUEBLO URBAN RENEWAL AUTHORITY
(A COMPONENT UNIT OF THE CITY OF PUEBLO, COLORADO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The principal operating revenues of the Authority's convention center are charges to customers for sales and services. Operating expenses for the enterprise fund include cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Funds

The Authority reports the following major governmental funds:

- The general fund is the primary operating fund of the Authority and is always classified as a major fund. The general fund is used to account for all financial resources of the Authority except those resources, if any, that are required to be accounted for in a separate fund.
- The regional tourism fund is a special revenue fund created to fund a regional tourism plan to attract new and out-of-state visitors to downtown Pueblo. Funds are provided by the State of Colorado's RTA grant and expenditures consist of economic development, mainly in relation to the expansion of the Pueblo Convention Center.
- The vendor fee fund is a special revenue fund used to account for the collection of a vendor fee and improvements and upgrades to the City's Memorial Hall. The electorate of the City of Pueblo, Colorado approved the issuance of \$10,000,000 of bonds to finance the project. Voter approval included the continuation of the collection of 3.3% of the City's sales and use tax revenues which will provide the on-going revenues to service the bonded debt. Expenditures include economic development and transfers to cover debt service, convention center operations and capital needs.
- The expanded downtown district fund is a special revenue fund used to account for activities within this district's boundaries. Funds are provided by incremental property taxes and intergovernmental revenues and expenditures include economic development and transfers.
- The St. Charles district fund is a special revenue fund used to account for activities within this district's boundaries. Funds are provided by incremental property taxes and expenditures consist of economic development payments to the business and other entities.
- The Lake Minnequa district fund is a special revenue fund used to account for infrastructure improvements in an area in and around Lake Minnequa on behalf of the City. Funds are provided by incremental property taxes and expenditures consist of economic development and transfers.
- The north pueblo district fund is a special revenue fund used to account for the Authority's commitment to assist in the funding of the Dillon Flyover project. The primary revenue sources are from incremental property taxes and primary government funding, with expenditures being dedicated to the project.

PUEBLO URBAN RENEWAL AUTHORITY
(A COMPONENT UNIT OF THE CITY OF PUEBLO, COLORADO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

- The Evraz district fund is a special revenue fund used to account for the Authority’s commitment to assist in the funding of the construction and financing of a new long-rail mill at the Evraz steel plant. The primary revenue sources are from incremental property taxes, with expenditures being dedicated to the project.
- The debt service fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest on certain of the Authority’s debt obligations. The primary revenue sources are transfers from other funds.
- Other governmental funds are a summarization of all other governmental special revenue funds.

Proprietary Fund

The following is a description of the major proprietary fund of the Authority:

Pueblo Convention Center accounts for the operations of the Authority’s convention center. Activities of the fund include operation and maintenance of the convention center. The convention center is managed by OVG360 under a management agreement with the Authority. All costs of the convention center are financed through charges to users, along with an allocation of the City’s sales and use tax revenues collected through a transfer from the vendor fee fund and the regional tourism fund.

Other Fund Types

The Authority reports the following fund types:

Special revenue funds are used to account for specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The other special revenue funds, other than those characterized as major, are:

- Thunder Village District
- Thunder Village District 2
- Fountain Creek District
- Lower Westside District

The special revenue funds (South Santa Fe district, Union Avenue district, Mitchell Park South district and Demonstration Project fund) have been included with the general fund because they do not meet the criteria to be reported as special revenue funds under generally accepted accounting principles. South Santa Fe district had no fund balance or activity in 2023. Mitchell Park South is a new district in 2023 and only reported property tax increment receivable and the related deferred inflow of resources that will be collected in 2024. This district will be reported in a separate fund and not combined with the General fund in 2024.

PUEBLO URBAN RENEWAL AUTHORITY
(A COMPONENT UNIT OF THE CITY OF PUEBLO, COLORADO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Cash and Cash Equivalents and Investments

Cash and cash equivalents, including restricted cash and cash equivalents, includes cash on hand and demand deposits. Restricted investments consist of money market funds held at bank trust departments that are classified as short-term money market investments that mature within one year of acquisition date and are reported at cost as allowed under generally accepted accounting principles.

Cash Equivalents

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

Receivables

Receivables include amounts due from customers for services provided and are reported, if necessary, net of an allowance for uncollectible accounts. Receivables also include vendor's fees and incremental property taxes assessed and collected within the Authority's boundaries along with other notes receivable issued in conjunction with an on-going program of the Authority.

Inventories and Prepaid Items

Inventories consist principally of food and drink products that are valued at the lower of cost (first-in, first-out basis) or market. Prepaid items represent payments made for expenditures/expenses to be charged to a future accounting period.

Capital Assets

Capital assets, which include land, buildings, improvements, and furniture and fixtures, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. A capitalization level of \$1,500 has been established and the criterion for capitalization also includes: (1) increasing the capacity or operating efficiency, or (2) extending the useful life of the asset. Capital assets are defined as assets with an estimated useful life of greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at estimated fair value at the time 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.

PUEBLO URBAN RENEWAL AUTHORITY
 (A COMPONENT UNIT OF THE CITY OF PUEBLO, COLORADO)
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Capital assets of the Authority are depreciated using the straight-line method over the following estimated useful lives:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
Buildings	40 years	7-50 years
Improvements	5-10 years	10-40 years
Furniture and fixtures	5-10 years	5-20 years

Lease Receivable

The Authority’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.

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

Lease Obligations

The Authority determines if an arrangement is a lease at inception. Leases are included in capital assets and lease obligations in the statement of net position.

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

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

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

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

PUEBLO URBAN RENEWAL AUTHORITY
(A COMPONENT UNIT OF THE CITY OF PUEBLO, COLORADO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

SBITA Obligations

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

SBITA assets represent the Authority'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 Authority'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 Authority will exercise that option.

The Authority recognizes payments for short-term SBITA contracts with an initial term of 12 months or less as expenses as 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 Authority has elected to use the incremental borrowing rate to calculate the present value of expected payments.

Long-Term Obligations

In the government-wide financial statements and the fund financial statements for the proprietary fund, long-term debt is reported as liabilities in the applicable statement of net position. Bond premiums and, when applicable, deferred amounts on refunding are amortized over the life of the obligation using the interest method and are reflected as a component of interest expense. Deferred amounts on refunding are reported as deferred outflows of resources in accordance with generally accepted accounting principles.

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

PUEBLO URBAN RENEWAL AUTHORITY
(A COMPONENT UNIT OF THE CITY OF PUEBLO, COLORADO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Retirement Plan

The Authority participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP 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.

Post-Employment Benefits (OPEB)

The Authority participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB. OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP 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.

Fund Equity

Governmental funds report fund balance in classifications based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for the Authority’s governmental funds consists 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 and long-term notes receivable.
- Restricted – includes amounts that are restricted for specific purposes stipulated by external resource providers constitutionally or through enabling legislation.
- Committed – includes amounts that can only be used for the specific purposes determined by the passage of a resolution of the Authority’s board of commissioners. Commitments may be modified or changed only by the Authority’s board of commissioners approving a new resolution.
- Assigned – includes amounts intended to be used by the Authority for specific purposes that are neither restricted nor committed. Intent is expressed by the Authority’s executive director to which the assigned amounts are to be used for specific purposes. Assigned amounts include appropriations of existing fund balance to eliminate a projected budgetary deficit in the subsequent year’s budget.
- Unassigned – this is the residual classification for the general fund and negative fund balances in other governmental funds.

PUEBLO URBAN RENEWAL AUTHORITY
(A COMPONENT UNIT OF THE CITY OF PUEBLO, COLORADO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets – this classification consists of capital assets net of accumulated depreciation and reduced by outstanding related debt that is attributed to the acquisition, construction or improvement of capital assets.

Restricted net position – this classification consists of restrictions created by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation and constitutional provisions.

Unrestricted net position (deficit) – this classification represents the remainder of net position (deficit) that does not meet the definition of “net investment in capital assets” or “restricted net position”. When both restricted and unrestricted resources are available for net position use, it is the Authority’s policy to use restricted resources first and then use unrestricted resources as they are needed.

Incremental Property Taxes

The Authority receives incremental property tax revenue for each of the active Urban Renewal Areas. Incremental property tax revenues are the property tax revenues in excess of an amount equal to the ad valorem property taxes produced by the levy at the rates fixed for such year by or for the governing bodies of the various taxing jurisdictions within or overlapping the Urban Renewal Area upon a valuation for assessment equal to the property tax base amount. The property tax base amount is certified by the County Assessor as the valuation for assessment of all taxable property within the urban Renewal area last certified by the County Assessor prior to the adoption of the Urban Renewal Area Plan. The base amount may be proportionately adjusted for general assessments in accordance with Colorado law.

Property taxes are levied by various taxing entities in each of the project areas by certification to the County Commissioners. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. Taxes are payable by April or if in equal installments, at the taxpayer’s election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the incremental property taxes collected monthly to the Authority.

PUEBLO URBAN RENEWAL AUTHORITY
(A COMPONENT UNIT OF THE CITY OF PUEBLO, COLORADO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses 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.

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.

New Accounting Pronouncements

For 2023, the Authority 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.

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Authority adheres to the following procedures in establishing its budgets. Prior to November 1 of each year, the executive director submits to the board of commissioners a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the board of commissioners to obtain comments. The Authority adopts budgets for all funds and the budget for each fund generally is adopted using generally accepted accounting principles, based on the fund type. In addition, appropriations lapse at the end of the year.

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution. The board of commissioners may amend the original adopted budget during the year by passing a new resolution. The 2023 budget was amended for additional expenditures. The legal level of budgetary control for all funds is at the total fund level, which means that total expenditures and other financing uses that exceed budgeted appropriations may be in violation of State statutes.

PUEBLO URBAN RENEWAL AUTHORITY
(A COMPONENT UNIT OF THE CITY OF PUEBLO, COLORADO)
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NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents and investments are summarized as follows:

Cash on hand	\$ 11,550
Demand deposits	21,293,933
Total cash and cash equivalents	\$ 21,305,483
Money market funds held at bank trust departments	1,843,854
ColoTrust	7,662,111
US Agency securities	3,289,055
Total investments	\$ 12,795,020

Reported in the financial statements as follows:

	Governmental Activities	Business-Type Activity	Total
Cash and cash equivalents	\$ 1,891,799	\$ 2,266,261	\$ 4,158,060
Restricted cash and cash equivalents	20,634	-	20,634
Restricted cash and cash equivalents under debt obligations	17,126,789	-	17,126,789
	\$ 19,039,222	\$ 2,266,261	\$ 21,305,483
Restricted investments under debt obligations	\$ 9,788,478	\$ 3,006,542	\$ 12,795,020

Deposits

As of December 31, 2023, the carrying amount of the Authority’s 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 these deposits. Colorado law requires that depository institutions must apply for and be designated as an eligible public depository before the institution can accept public monies. The depository institution must pledge eligible collateral as security for all public deposits held by that institution that are not insured by depository insurance. The market 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 Authority’s name.

PUEBLO URBAN RENEWAL AUTHORITY
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NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

Investments

The Authority is subject to 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, banker’s acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds, guaranteed investment contracts and U.S. dollar-denominated corporate or bank debt. The statute also includes a provision limiting any investment to a five-year maturity unless the governing body authorizes a longer period.

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

As of December 31, 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
US Agency securities	\$ -	\$ 3,289,055	\$ -	\$ 3,289,055	25.7%	\$ -	\$ 3,289,055
	\$ -	\$ 3,289,055	\$ -	\$ 3,289,055		\$ -	\$ 3,289,055
Investments measured at net asset value (NAV):							
ColoTrust				\$ 7,662,111	59.9%		
Money market funds				1,843,854	14.4%		
				<u>\$ 9,505,965</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).

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NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

COLOTRUST

The Authority has invested \$7,662,111 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+ and COLOTRUST EDGE. COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. All portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor’s. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

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 District as of December 31, 2023 and the associated rating and fair value input level:

	Moody's Rating	S&P Rating
<u>Reported as Investments:</u>		
ColoTrust	N/A	AAAM
Money market funds	Aaa	AAAM
US Agency securities	Aaa	AA+

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NOTE 4 – RECEIVABLES

Receivables held by Governmental Funds at December 31, 2023 consist of the following:

	Governmental Funds				
	General Fund	Regional Tourism	Vendor Fee	Expanded Downtown District	St Charles District
	Due from Primary Government	\$ -	\$ -	\$ -	\$ 90,654
Accounts	1,854	-	-	-	-
Notes	5,836	-	-	-	-
Vendors Fee	-	-	524,225	-	-
Sales Tax Increment	-	170,463	-	-	-
Property Taxes	<u>101,140</u>	<u>-</u>	<u>-</u>	<u>895,063</u>	<u>3,561,934</u>
	<u>\$ 108,830</u>	<u>\$ 170,463</u>	<u>\$ 524,225</u>	<u>\$ 985,717</u>	<u>\$ 3,561,934</u>

	Governmental Funds				
	Lake Minnequa District	North Pueblo District	Evraz District	Other Governmental Funds	Total
	Due from Primary Government	\$ -	\$ -	\$ -	\$ -
Accounts	-	-	-	-	1,854
Notes	-	-	-	-	5,836
Vendors Fee	-	-	-	-	524,225
Sales Tax Increment	-	-	-	-	170,463
Property Taxes	<u>1,033,751</u>	<u>837,066</u>	<u>2,536,307</u>	<u>368,093</u>	<u>9,333,354</u>
	<u>\$ 1,033,751</u>	<u>\$ 837,066</u>	<u>\$ 2,536,307</u>	<u>\$ 368,093</u>	<u>\$ 10,126,386</u>

PUEBLO URBAN RENEWAL AUTHORITY
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NOTE 4 – RECEIVABLES, Continued

Leases Receivable

The Authority, within the governmental activities, has entered into various long-term agreements to lease parking spots in the Main Street parking garage. The Authority has analyzed these lease arrangements to determine the applicability of GASB 87 and has concluded that these leases consist of variable payments rather than fixed payment streams, as tenants can, upon written notice, increase or decrease the number of parking spots at the tenants option. GASB 87 further states that future payments based on future performance of the lessee should not be included in the measurement of lease receivable. Rather, those variable payments should be recognized as inflows of resources in the period to which the payments relate. Therefore, these leases have not been included in measuring a lease receivable.

Lease receivables held in Business-Type Activities at December 31, 2023 consist of the following:

The Authority entered into an agreement to lease the PBR Building to Professional Bull Riders, LLC on June 19th, 2019 with an initial 5-year term ending on June 19, 2024. The lease contains five additional 5-year renewal options with uncertain terms to be negotiated. At this time, it is unclear as to whether these options will be exercised and therefore these options were not considered in the lease receivable calculation. In addition, the lease receivable was discounted using a rate of 5%, the rate of the Authority’s line of credit when the lease was initiated.

For the year ended December 31, 2023, the Convention Center reported \$15,897 in lease revenue and \$910 in lease interest revenues. The lease receivable and related deferred inflow of resources for the year ended December 31, 2023 was \$8,871 and \$8,612, respectively.

NOTE 5 – ADVANCES TO/FROM OTHER FUNDS AND TRANSFERS

The following table summarizes advances to/from other funds at December 31, 2023:

	Advances to Other Funds	Advances from Other Funds
Major governmental funds -		
Advance due General Fund	\$ 29,167	\$ -
Major enterprise fund -		
Advance due to General Fund	-	29,167
	\$ 29,167	\$ 29,167

The advances to other funds were provided to assist with activities in the recipient funds.

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NOTE 5 – ADVANCES TO/FROM OTHER FUNDS AND TRANSFERS, Continued

Transfers for the year ended December 31, 2023 are as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
Governmental funds -		
General Fund	\$ 1,160,055	\$ -
Regional Tourism	-	(712,290)
Expanded Downtown District	-	(719,539)
St. Charles District	-	(1,989,525)
Lake Minnequa District	-	(694,228)
Vendor Fee - operating	-	(2,520,864)
Vendor Fee - capital		(534,220)
Debt Service	7,976,472	-
North Pueblo District	-	(663,100)
Evraz District	-	(4,348,513)
Other governmental funds	-	(50,375)
Total governmental funds	<u>\$ 9,136,527</u>	<u>\$ (12,232,654)</u>
Enterprise fund -		
Pueblo Convention Center - operating	2,561,907	-
Pueblo Convention Center - capital	534,220	-
Total enterprise fund	<u>3,096,127</u>	<u>-</u>
	<u>\$ 12,232,654</u>	<u>\$ (12,232,654)</u>

The transfers to the general fund from the major and nonmajor governmental funds were generally for administrative functions. The transfers to the debt service fund were for principal and interest on debt obligations. The transfers to the Pueblo Convention Center enterprise fund were for debt service, operations, maintenance expenses and capital improvements.

NOTE 6 – DUE FROM/TO PRIMARY GOVERNMENTS

The amounts due to the primary government (City of Pueblo, Colorado), are summarized as follows:

Due to City of Pueblo, Colorado for -	
Gateway Plaza project note	\$ 1,884,307
Convention Center Expansion Loan	<u>12,200,000</u>
Total due to City of Pueblo, Colorado	<u>\$ 14,084,307</u>

PUEBLO URBAN RENEWAL AUTHORITY
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NOTE 6 – DUE FROM/TO PRIMARY GOVERNMENTS, Continued

The activities associated with the amounts owing the City are as follows:

	Balance January 1, 2023	Additions	Payments/ Reductions	Balance December 31, 2023	Due Within One Year
Governmental activities:					
Gateway Plaza project					
note	\$ 1,884,307	\$ -	\$ -	\$ 1,884,307	\$ -
Total governmental					
activities	<u>\$ 1,884,307</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,884,307</u>	<u>\$ -</u>
	Balance January 1, 2023	Additions	Payments/ Reductions	Balance December 31, 2023	Due Within One Year
Business-type activities:					
Convention Center					
expansion note	\$ 12,200,000	\$ -	\$ -	\$ 12,200,000	\$ -
Total business-type					
activities	<u>\$ 12,200,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,200,000</u>	<u>\$ -</u>

Convention Center Expansion Loan – City of Pueblo

The City of Pueblo issued two promissory notes on March 14, 2017.

The principal amount of the first note is \$12,200,000 with a maturity date of December 31, 2027, with the right to extend the maturity date to December 31, 2037. Principal is due on or before the maturity date, together with interest on draws related to eligible costs until December 31, 2022, at the rate of 2% per annum; commencing January 1, 2023 until the maturity date at the rate of 3% per annum on the unpaid balance until paid. Accrued interest will be paid semi-annually on June 1 and December 1 of each year until maturity. Such monies are to be used by the Authority to finance the design, construction and improvement of an expansion to the Pueblo Convention Center Exhibition Hall and attached facility on the real property. As of December 31, 2021, \$12,200,000 of eligible costs had been drawn from this loan and are reflected in the amount payable to the City of Pueblo. The Authority has pledged the convention center land, buildings and improvements to the City of Pueblo as collateral on this note. The net carrying amount of these assets is \$32,001,066.

The principal amount of the second note is \$2,200,000 with a maturity date of December 31, 2027, with the right to extend the maturity date to December 31, 2037. This note bears no interest. The entire principal balance shall be due and payable upon maturity. This note is for eligible costs related to the expansion to the Gateway Plaza project. In 2018 the Authority amended the Regional Tourism Act Project Cooperation Agreement with the City of Pueblo. This amendment states that the Authority will reimburse the City of Pueblo for Gateway Plaza design costs up to \$258,954 if any remaining monies from the \$2.2 million loan are available after the project is complete. As of December 31, 2023, the City of Pueblo has incurred \$258,871.

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NOTE 6 – DUE FROM/TO PRIMARY GOVERNMENTS, Continued

The Authority executed an additional promissory note for \$112,800 with the City of Pueblo on March 5, 2019. However, this amount has not been recorded due to uncertainty about repayment.

NOTE 7 – CAPITAL ASSETS

Capital assets for the year ended December 31, 2023 were as follows:

	<u>Balance January 1, 2023</u>	<u>Additions</u>	<u>Conveyances or Retirements</u>	<u>Balance December 31, 2023</u>
Governmental activities:				
Non-depreciable assets:				
Land	\$ 953,553	\$ -	\$ -	\$ 953,553
Total non-depreciable assets	<u>953,553</u>	<u>-</u>	<u>-</u>	<u>953,553</u>
Depreciable assets:				
Buildings	11,740,468	-	-	11,740,468
Improvements	913,904	18,707	-	932,611
Right-to-use assets lease				
- equipment	4,838	10,353	-	15,191
Right-to-use assets SBITA	<u>10,040</u>	<u>8,889</u>	<u>-</u>	<u>18,929</u>
Total depreciable assets	<u>12,669,250</u>	<u>37,949</u>	<u>-</u>	<u>12,707,199</u>
Less Accumulated depreciation and amortization for:				
Buildings	(1,339,605)	(234,809)	-	(1,574,414)
Improvements	(7,616)	(46,631)	-	(54,247)
Right-to-use assets lease				
- equipment	(757)	(2,621)	-	(3,378)
Right-to-use assets - SBITA	<u>(1,871)</u>	<u>(4,909)</u>	<u>-</u>	<u>(6,780)</u>
Total accumulated depreciation and amortization	<u>(1,349,849)</u>	<u>(288,970)</u>	<u>-</u>	<u>(1,638,819)</u>
Depreciable assets, net	<u>11,319,401</u>	<u>(251,021)</u>	<u>-</u>	<u>11,068,380</u>
Governmental activities assets, net	<u>\$ 12,272,954</u>	<u>\$ (251,021)</u>	<u>\$ -</u>	<u>\$ 12,021,933</u>
				Less outstanding capital debt (3,685,000)
				Plus deferred amount on refunding 115,948
				<u>Net investment in capital assets \$ 8,452,881</u>

PUEBLO URBAN RENEWAL AUTHORITY
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NOTE 7 – CAPITAL ASSETS, Continued

	Balance January 1, 2023	Additions	Conveyances or Retirements	Balance December 31, 2023
Business-type activities:				
Non-depreciable assets:				
Land	\$ 326,094	\$ -	\$ -	\$ 326,094
Medal of honor memorial	295,097	-	-	295,097
Total non-depreciable assets	<u>621,191</u>	<u>-</u>	<u>-</u>	<u>621,191</u>
Depreciable assets:				
Buildings	40,142,847	-	-	40,142,847
Improvements	1,851,074	31,838	(89,790)	1,793,122
Furniture and fixtures	1,664,967	502,382	(53,411)	2,113,938
Total depreciable assets	<u>43,658,888</u>	<u>534,220</u>	<u>(143,201)</u>	<u>44,049,907</u>
Less accumulated depreciation for:				
Buildings	(8,335,411)	(1,141,182)	-	(9,476,593)
Improvements	(1,049,350)	(95,704)	65,552	(1,079,502)
Furniture and fixtures	(925,533)	(150,030)	53,411	(1,022,152)
Total accumulated depreciation	<u>(10,310,294)</u>	<u>(1,386,916)</u>	<u>118,963</u>	<u>(11,578,247)</u>
Depreciable assets, net	<u>33,348,594</u>	<u>(852,696)</u>	<u>(24,238)</u>	<u>32,471,660</u>
Business-type activities assets, net	<u>\$ 33,969,785</u>	<u>\$ (852,696)</u>	<u>\$ (24,238)</u>	<u>\$ 33,092,851</u>
				Less outstanding capital debt (22,887,921)
				Plus investments and cash restricted for capital debt 3,006,542
				Plus net of unamortized discounts and premiums 29,048
				Plus deferred amount on refunding 428,197
				<u>Net investment in capital assets \$ 13,668,717</u>

Depreciation and amortization expense was charged to functions/programs as follows:

Governmental activities –	
General government	\$ 288,970
Total depreciation and amortization expense	<u>\$ 288,970</u>
Business-type activities –	
Pueblo Convention Center	\$ 1,386,916
Total depreciation expense	<u>\$ 1,386,916</u>

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NOTE 8 – LONG-TERM LIABILITIES

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	Additions	Payments/ Reductions	Balance December 31, 2023	Due Within One Year
Governmental activities:					
Revenue bonds					
Expanded Downtown					
refunding Series 2020	\$ 4,250,000	\$ -	\$ (565,000)	\$ 3,685,000	\$ 580,000
Lake Minnequa TIF					
refunding, Series 2020	2,040,000	-	(180,000)	1,860,000	185,000
North Pueblo TIF					
refunding Series 2020	2,840,000	-	(320,000)	2,520,000	330,000
Memorial Hall taxable					
refunding Series 2020	8,824,613	-	(461,072)	8,363,541	479,968
Unamortized premium	204,008	-	(12,750)	191,258	-
Evraz TIF Series 2021A	88,095,000	-	-	88,095,000	-
Evraz TIF Series 2021B	3,065,033	-	-	3,065,033	-
St Charles TIF Series 2022	17,020,000	-	(1,074,143)	15,945,857	1,150,262
Total revenue bonds	<u>126,338,654</u>	<u>-</u>	<u>(2,612,965)</u>	<u>123,725,689</u>	<u>2,725,230</u>
Other obligations					
Accrued interest payable	448,021	5,368,380	(5,376,257)	440,144	440,144
Compensated absences	81,215	37,929	(52,738)	66,406	52,738
Lease obligations	4,081	10,353	(2,003)	12,431	7,787
SBITA obligations	8,169	8,889	(4,301)	12,757	3,459
Net pension liability (asset)	(58,927)	871,815	-	812,888	-
Net OPEB liability	46,074	7,286	-	53,360	-
Total other obligations	<u>528,633</u>	<u>6,304,652</u>	<u>(5,435,299)</u>	<u>1,397,986</u>	<u>504,128</u>
Total governmental activities	<u>\$ 126,867,287</u>	<u>\$ 6,304,652</u>	<u>\$ (8,048,264)</u>	<u>\$ 125,123,675</u>	<u>\$ 3,229,358</u>

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NOTE 8 – LONG-TERM LIABILITIES, Continued

	Balance January 1, 2023	Additions	Payments/ Reductions	Balance December 31, 2023	Due Within One Year
<u>Business-type activity:</u>					
Revenue bonds					
Convention Center sales					
tax increment Series 2017	\$ 7,875,000	\$ -	\$ (20,000)	\$ 7,855,000	\$ 75,000
Unamortized discount	(97,812)	-	6,986	(90,826)	-
Convention Center taxable					
refunding Series 2020	2,850,387	-	(148,928)	2,701,459	155,032
Unamortized premium	65,895	-	(4,118)	61,777	-
Total revenue bonds	10,693,470	-	(166,060)	10,527,410	230,032
Obligation under financed					
purchases	172,236	-	(40,773)	131,463	42,632
Accrued interest payable	37,074	816,652	(817,338)	36,388	36,388
Total business-type activities	\$ 10,902,780	\$ 816,652	\$ (1,024,171)	\$ 10,695,261	\$ 309,052

All of the above governmental activity obligations, with the exception of the compensated absences liability, are serviced by the debt service fund. The compensated absences liability is serviced by the general fund.

Line of Credit

The Authority has available a \$100,000 revocable line of credit with US Bank, NA. The interest rate is floating and is based on the current prime rate, which was 8.5% as of May 2023, the date of the last renewal. As of December 31, 2023, no borrowings were outstanding under this line of credit agreement. This line of credit does not have an expiration date.

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

Revenue Bonds

Expanded Downtown Revenue Refunding Bonds, Series 2020

\$5,945,000, series 2020 revenue refunding bonds; 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

Lake Minnequa Tax Increment Revenue Refunding Bonds, Series 2020

\$2,545,000, series 2020 tax increment revenue refunding bonds; 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

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NOTE 8 – LONG-TERM LIABILITIES, Continued

North Pueblo Tax Increment Revenue Refunding Bonds, Series 2020	
\$3,825,000, series 2020 tax increment revenue refunding bonds; 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
Memorial Hall Taxable Revenue Refunding Bonds, Series 2020	
\$9,640,937, series 2020 taxable revenue refunding bonds; interest rate ranges from 2.00% to 4.00%; due in semi-annual installments, including annual interest, ranging from \$236,022 to \$677,445 through December 2038;	8,363,541
Evraz Project Tax Increment Revenue Bonds, Series 2021A	
\$88,095,000, series 2021 tax increment revenue bonds; 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
Evraz Project Tax Increment Revenue Capital Appreciation Bonds, Series 2021B	
\$3,065,033, series 2021 tax increment revenue bonds; interest rate 5.00%; due in one installment, including interest of \$3,860,000 in December 2025;	3,065,033
St. Charles Taxable Revenue Refunding Bonds, Series 2022	
\$17,020,000, series 2022 taxable increment revenue bonds; interest rate 4.53%; due in semi-annual installments, including annual interest, ranging from \$1,849,432 to \$1,872,609 through December 2034;	15,945,857
	<u>123,534,431</u>
Other Obligations	
Accrued interest payable	440,144
Compensated absences	66,406
Lease obligations	12,431
SBITA obligations	12,757
Net pension liability	812,888
Net OPEB liability	53,360
Total other obligations	<u>1,397,986</u>
Total Governmental Activities	<u>\$ 124,932,417</u>

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NOTE 8 – LONG-TERM LIABILITIES, Continued

The debt service requirements for the governmental activities revenue bonds and notes payable are as follows:

Year Ending	Governmental Activities					
	Revenue Bonds		SBITA Obligations		Lease Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
December 31,						
2024	\$ 2,725,230	\$ 5,281,722	\$ 7,787	\$ 771	\$ 3,459	\$ 609
2025	6,959,929	5,991,171	4,970	556	2,804	129
2026	7,575,701	5,056,211	-	392	2,098	-
2027	7,482,753	4,742,417	-	229	2,261	-
2028	7,503,604	4,434,340	-	57	1,809	-
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>\$ 12,757</u>	<u>\$ 2,005</u>	<u>\$ 12,431</u>	<u>\$ 738</u>

Expanded Downtown Revenue Refunding Bonds, Series 2020

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 of Pueblo, Colorado, based on the agreement that the City will pay 40% of the net revenues received less expenditures paid. The District completed the refunding in 2020 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.

Lake Minnequa Tax Increment Revenue Refunding Bonds, Series 2020

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

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NOTE 8 – LONG-TERM LIABILITIES, Continued

district infrastructure improvements. Interest and principal on this note are payable from the pledged incremental property taxes generated within the Lake Minnequa district. The District completed the refunding in 2020 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.

North Pueblo Tax Increment Revenue Refunding Bonds, Series 2020

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 of Pueblo, 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 the City of Pueblo, Colorado. The bank note and notes due to the City of Pueblo, Colorado 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 District completed the refunding in 2020 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.

Memorial Hall and Convention Center Taxable Revenue Refunding Bonds, Series 2020

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 in both governmental activities and business-type activities. 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,

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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 government-wide and proprietary fund statements of net position. The Authority completed the advance refunding in 2020 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.

Of the total series 2020 bonds issued, \$9,640,937 was attributed to governmental activities. Underwriting fees of \$306,835, issuance costs of \$117,309, and the deferred amounts on refunding of \$629,358 were similarly allocated to governmental activities in 2020. Debt service savings of \$2,165,942 and an economic gain of \$1,772,928 was attributed to governmental activities.

Interest and principal on these bonds are payable from the proceeds of the pledged revenue which consists of 3.3% of the City of Pueblo's sales and use tax collections. On a monthly basis, the City of Pueblo 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 revenue recognized from these transactions totaled \$3,037,007 for the year ended December 31, 2023 and is reported in the caption "vendor's fee" in the accompanying financial statements.

Evraz Tax Increment Revenue Bonds, Series 2021A and 2021B

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 of 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.

St. Charles Tax Increment Revenue Bonds, Series 2022

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.

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NOTE 8 – LONG-TERM LIABILITIES, Continued

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 so 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 June 1, 2022 and ends on June 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.

The following is a description of the individual issues for the business-type activity:

Revenue Bonds

Convention Center Sales Tax Increment Revenue Bonds, Series 2017

\$17,030,000, series 2017 sales tax increment revenue bonds; interest rate ranges 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

Convention Center Taxable Revenue Refunding Bonds, Series 2020

\$3,114,063, series 2020 taxable revenue refunding bonds; interest rate ranges from 2.00% to 4.00%; due in semi-annual installments, including annual interest, ranging from \$76,236 to \$218,818 through December 2038; 2,701,459
10,556,459

Obligation under Financed Purchases

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

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

Total Business-Type Activities 131,463
\$ 10,687,922

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NOTE 8 – LONG-TERM LIABILITIES, Continued

The debt service requirements for the business-type activity bonds and financed purchases are as follows:

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>

Convention Center Sales Tax Increment Revenue Bonds, Series 2017

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. As mentioned below in Note 15, 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.

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NOTE 8 – LONG-TERM LIABILITIES, Continued

Memorial Hall and Convention Center Taxable Revenue Refunding Bonds, Series 2020

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 and the remaining \$305,000 bonds matured 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 in both governmental activities and business-type activities. 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 government-wide and proprietary fund statements of net position. The Authority completed the advance refunding in 2020 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.

Of the total series 2020 bonds issued, \$3,114,063 was attributed to the business-type activity. Underwriting fees of \$99,109, issuance costs of \$37,891 and the deferred amounts on refunding of \$203,285 were similarly allocated to the business-type activity in 2020. Debt service savings of \$699,608 and an economic gain of \$572,663 are attributed to business-type activities.

Interest and principal on these bonds are payable from the proceeds of the pledged revenue which consists of 3.3% of the City of Pueblo's sales and use tax collections. On a monthly basis, the City of Pueblo 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 revenue recognized from these transactions totaled \$3,037,007 for the year ended December 31, 2023 and is reported in the caption "vendor's fee" in the accompanying financial statements.

NOTE 9 – 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 legislations. Restricted net position for governmental and business-type activities is summarized as follows:

District projects	<u>\$ 318,340</u>
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NOTE 10 – FUND BALANCES

The Union Avenue district and the Demonstration Project fund do not meet the criteria to be classified as special revenue funds and, therefore, the activities of these funds have been included with the general fund in accordance with generally accepted accounting principles as follows:

	General Fund	Union Avenue District	Demonstration Project	Eliminations	Combined General Fund
Fund balance, January 1, 2023	\$ 1,120,767	\$ 20,390	\$ 501,988	\$ -	\$ 1,643,145
Revenues and other financing sources:					
Property taxes	-	6,506	-	-	6,506
Charges for services	357,416	-	-	-	357,416
Interest	1,442	-	688	-	2,130
Contributions	112,500	-	-	-	112,500
Other	149	-	2,526	-	2,675
Issuance of leases and SBITAs	19,242	-	-	-	19,242
Transfers in	990,055	-	210,000	(40,000)	1,160,055
Total revenues and other financing sources	1,480,804	6,506	213,214	(40,000)	1,660,524
Expenditures and other financing uses:					
General government	1,394,509	-	-	-	1,394,509
Economic development	24,547	-	106,239	-	130,786
Principal	6,304	-	-	-	6,304
Interest	2,252	-	-	-	2,252
Capital outlay	37,949	-	-	-	37,949
Transfer out	-	-	40,000	(40,000)	-
Total expenditures and other financing uses	1,465,561	-	146,239	(40,000)	1,571,800
Fund balance, December 31, 2023	<u>\$ 1,136,010</u>	<u>\$ 26,896</u>	<u>\$ 568,963</u>	<u>\$ -</u>	<u>\$ 1,731,869</u>

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NOTE 11 – RISKS AND UNCERTAINTIES

The Authority is exposed to various risks of loss related to torts, property and casualty, errors and omissions, injuries to employees and health claims. All of these risks of loss are covered by commercial insurance. Settled claims from the commercial policies have not exceeded insurance coverage in any of the past three years.

Evraz Project Area - Certain international events and actions 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.

NOTE 12 – RETIREMENT PLAN

Plan Description and Benefit Provisions

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

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.

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NOTE 12 – RETIREMENT PLAN, Continued

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, 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 (AI) or AI cap of 1.00 percent unless adjusted by the 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 the 1.00 percent AI 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 AI cap by up to 0.25 percent based on the parameters specified in 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 benefits.

Contributions Provisions as of December 31, 2023

Eligible employees of the Authority 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 § 24-51-413. Employee contribution rates for the period of January 1, 2023 through December 31, 2023 are summarized on the table below:

	01/01/2023 through <u>12/31/2023</u>
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).

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NOTE 12 – RETIREMENT PLAN, 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 Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Authority were \$93,662 for the year ended December 31, 2023.

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

At December 31, 2023, the Authority reported a liability of \$812,888 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2022, and the total pension liability (TPL) 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 TPL to December 31, 2022. The Authority's proportion of the net pension liability was based on the Authority's contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers.

At December 31, 2022, the Authority's proportion was approximately 0.081 percent, which was an increase of .012 percent from its proportion measured as of December 31, 2021.

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NOTE 12 – RETIREMENT PLAN, Continued

For the year ended December 31, 2023, the Authority recognized pension expense of \$122,144. At December 31, 2023, the Authority 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	\$ -	\$ 4,052
Net difference between projected and actual earnings on pension plans investments	331,860	
Changes in proportionate share	43,895	
Differences between contributions recognized and proportionate share of contributions	771	-
Contributions subsequent to the measurement date	93,662	-
Total	\$ 470,188	\$ 4,052

The \$93,662 of deferred outflows of resources related to pensions, resulting from the Authority’s 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 will be recognized in pension expense as follows:

Year ended	
2024	\$ 1,014
2025	55,536
2026	121,476
2027	194,448
	\$ 372,474

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NOTE 12 – RETIREMENT PLAN, Continued

Actuarial Assumptions

The TPL 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%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% – 11.30%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07	1.00%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

¹ Post-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 TPL 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 were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based on 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 on 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.

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NOTE 12 – RETIREMENT PLAN, Continued

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 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 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 to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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 returns, 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 expected 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 table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
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	100.00%	

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

PUEBLO URBAN RENEWAL AUTHORITY
(A COMPONENT UNIT OF THE CITY OF PUEBLO, COLORADO)
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 – RETIREMENT PLAN, Continued

Discount Rate

The discount rate used to measure the TPL 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 required adjustments resulting from the 2018 and 2020 AAP assessment, and the additional 0.50 percent resulting from the 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 to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, 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 FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the LGDTF's FNP 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 TPL. 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.

PUEBLO URBAN RENEWAL AUTHORITY
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NOTE 12 – RETIREMENT PLAN, Continued

Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability (asset) 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):

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1 % Increase (8.25%)
Proportionate share of the net pension liability	\$ 1,364,635	\$ 812,888	\$ 350,985

Pension Plan Fiduciary Net Position

Detailed information about the LGDTF’s FNP is available in PERA’s ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 13 – POST-EMPLOYMENT BENEFITS

OPEB Plan Description and Benefit Provisions

Eligible employees of the Authority 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 from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided

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

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NOTE 13 – POST-EMPLOYMENT BENEFITS, Continued

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 health benefits program 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.

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 Authority is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Authority were \$6,953 for the year ended December 31, 2023.

PUEBLO URBAN RENEWAL AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13 – POST-EMPLOYMENT BENEFITS, Continued

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

At December 31, 2023 the Authority reported a liability of \$53,360 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 (TOL) 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 TOL to December 31, 2022. The Authority’s proportion of the net OPEB liability was based on the Authority's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the Authority’s proportion was 0.0065 percent, which was an increase of 0.0012 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Authority recognized OPEB expense of \$5,056. At December 31, 2023, the Authority 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	\$ 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	6,953	-
PURA Total	<u>\$ 31,131</u>	<u>\$ 18,839</u>

\$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 (income) as follows:

Year ended	
2024	\$ (62)
2025	134
2026	1,714
2027	2,445
2028	898
Thereafter	210
	<u>\$ 5,339</u>

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NOTE 13 – POST-EMPLOYMENT BENEFITS, Continued

Actuarial assumptions. The TOL 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 percent in 2029

The TOL for the HCTF, as of December 31, 2023, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty 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.

Beginning January 1, 2022, the per capital 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

<u>Participant Age</u>	<u>Annual Increase (Male)</u>	<u>Annual Increase (Female)</u>
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%

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

PUEBLO URBAN RENEWAL AUTHORITY
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 NOTES TO FINANCIAL STATEMENTS
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NOTE 13 – POST-EMPLOYMENT BENEFITS, Continued

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 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 TOL 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 TOL 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 the State and Local Government Divisions were based upon the Pub-G-2010 Employee Table with generational projection using scale MP-2019.

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NOTE 13 – POST-EMPLOYMENT BENEFITS, Continued

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on 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 costs assumptions were updated and used in the roll-forward calculation for the HCTF:

- Per capita health care costs in effect as of the 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 have been updated to reflect the 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 current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the PERA 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-year within the valuation programming used to determine the TOL, 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.

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NOTE 13 – POST-EMPLOYMENT BENEFITS, Continued

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 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 table as follows:

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

Note: 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.

Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1 % Increase in Trend Rates
Initial PERACare Medicare trend rate	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	<u>\$ 51,850</u>	<u>\$ 53,360</u>	<u>\$ 55,004</u>

PUEBLO URBAN RENEWAL AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
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NOTE 13 – POST-EMPLOYMENT BENEFITS, Continued

Discount rate

The discount rate used to measure the TOL 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 percent.
- 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.

Based on the above assumptions and methods, the HCTF's FNP 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. 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 Authority's 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 one-percentage-point lower (6.25 percent) or one-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	\$ 61,861	\$ 53,360	\$ 46,090

OPEB plan fiduciary net position. Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

PUEBLO URBAN RENEWAL AUTHORITY
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NOTE 14 – COMMITMENTS AND CONTINGENCIES

The Authority entered into an agreement with Thunder Village Metropolitan District and Thunder Village Metropolitan District 2 (the District) 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 City of Pueblo and the Authority, in conjunction with the Colorado Economic Development Commission, approved a resolution dedicating specified sales tax increment revenue for approved regional tourism projects (See Note 8). 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.

NOTE 15 – SUBSEQUENT EVENTS

Two new urban renewal districts were approved by Pueblo City Council on March 11, 2024. These are the Bluffs Phase 1 Urban Renewal Area and the North Elizabeth Hotel Urban Renewal Area which will be included in the future activities of the Authority.

The Authority has evaluated its December 31, 2023 financial statements for subsequent events through the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

General Fund

Schedule of Revenues, Expenditures and Change in Fund Balance—Budget and Actual For the Year Ended December 31, 2023

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	BUDGET BASIS	
REVENUES				
Contributions	\$ -	\$ 112,500	\$ 112,500	\$ -
Charges for services	357,416	357,416	357,416	-
Interest	200	1,399	1,442	43
Other	-	124	149	25
TOTAL REVENUES	357,616	471,439	471,507	68
EXPENDITURES				
Current:				
General government	1,308,353	1,405,058	1,394,509	10,549
Economic development	45,000	124,050	24,547	99,503
Debt service	-	2,000	8,556	(6,556)
Capital outlay	-	-	37,949	(37,949)
TOTAL EXPENDITURES	1,353,353	1,531,108	1,465,561	65,547
OTHER FINANCING SOURCES AND (USES)				
Loan proceeds	-	-	19,242	19,242
Transfers in	982,504	1,004,655	990,055	(14,600)
Transfers in fund balance	13,233	55,014	-	(55,014)
TOTAL OTHER FINANCING SOURCES AND (USES)	995,737	1,059,669	1,009,297	(50,372)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	15,243	\$ 15,243
FUND BALANCE, BEGINNING OF YEAR			1,120,767	
FUND BALANCE, END OF YEAR			1,136,010	
GAAP ADJUSTMENTS				
Consolidation of the Property Improvement / Demonstration District Fund			568,963	
Consolidation of the Union Avenue District Fund			26,896	
FUND BALANCE - GAAP BASIS			\$ 1,731,869	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Reconciliation of the Budgetary Basis of Accounting
to GAAP Basis of Accounting
General Fund
For the 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 and other financing sources from the budgetary comparison schedule \$ 1,480,804

Differences - budget to GAAP

Revenues and other financing sources from the Demonstration Project Fund which is consolidated with the general fund for GAAP reporting purposes 213,214

Revenues and other financing sources from the Union Avenue District fund which is consolidated with the general fund for GAAP reporting purposes 6,506

GAAP basis revenues and other financing sources \$ 1,700,524

EXPENDITURES AND OTHER FINANCING USES

Actual amounts (budgetary basis) of expenditures and other financing uses from the budgetary comparison schedule 1,465,561

Differences - budget to GAAP

Expenditures and other financing uses from the Demonstration Project Fund which is consolidated with the general fund for GAAP reporting purposes less eliminations 106,239

GAAP basis expenditures and other financing uses \$ 1,571,800

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Union Avenue District (Included in General Fund)

Schedule of Revenues, Expenditures

and Change in Fund Balance—Budget and Actual

For the Year Ended December 31, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Property Tax Increment	\$ 6,657	\$ 7,030	\$ 6,506	\$ (524)
Interest	<u>-</u>	<u>36</u>	<u>-</u>	<u>(36)</u>
TOTAL REVENUES	<u>6,657</u>	<u>7,066</u>	<u>6,506</u>	<u>(560)</u>
EXPENDITURES				
Current:				
Economic development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in fund balance	-	-	-	-
Transfers out	<u>(6,657)</u>	<u>(7,030)</u>	<u>-</u>	<u>7,030</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(6,657)</u>	<u>(7,030)</u>	<u>-</u>	<u>7,030</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 36</u>	6,506	<u>\$ 6,470</u>
FUND BALANCE, BEGINNING OF YEAR			<u>20,390</u>	
FUND BALANCE, END OF YEAR			<u>\$ 26,896</u>	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Demonstration Project District (Included in General Fund)
Schedule of Revenues, Expenditures
and Change in Fund Balance—Budget and Actual
For the Year Ended December 31, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Interest	\$ -	\$ 770	\$ 688	\$ (82)
Other	<u>-</u>	<u>21,652</u>	<u>2,526</u>	<u>(19,126)</u>
TOTAL REVENUES	<u>-</u>	<u>22,422</u>	<u>3,214</u>	<u>(19,208)</u>
EXPENDITURES				
Current:				
Economic development	<u>160,000</u>	<u>192,422</u>	<u>106,239</u>	<u>86,183</u>
TOTAL EXPENDITURES	<u>160,000</u>	<u>192,422</u>	<u>106,239</u>	<u>86,183</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers out	(40,000)	(40,000)	(40,000)	-
Transfers in	<u>200,000</u>	<u>210,000</u>	<u>210,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>160,000</u>	<u>170,000</u>	<u>170,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	66,975	<u>\$ 66,975</u>
FUND BALANCE, BEGINNING OF YEAR			<u>501,988</u>	
FUND BALANCE, END OF YEAR			<u>\$ 568,963</u>	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Regional Tourism Fund

Schedule of Revenues, Expenditures

and Change in Fund Balance—Budget and Actual

For the Year Ended December 31, 2023

	BUDGETED AMOUNTS		ACTUAL BUDGET BASIS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Sales tax increment	\$ 768,000	\$ 902,117	\$ 883,612	\$ (18,505)
Miscellaneous	-	8,151	8,151	-
TOTAL REVENUES	<u>768,000</u>	<u>910,268</u>	<u>891,763</u>	<u>(18,505)</u>
EXPENDITURES				
Current:				
General government	-	11,500	3,000	8,500
TOTAL EXPENDITURES	-	11,500	3,000	8,500
OTHER FINANCING SOURCES AND (USES)				
Transfers out	(640,575)	(712,575)	(712,290)	285
TOTAL OTHER FINANCING SOURCES AND USES	<u>(640,575)</u>	<u>(712,575)</u>	<u>(712,290)</u>	<u>285</u>
NET CHANGE IN FUND BALANCE	<u>\$ 127,425</u>	<u>\$ 186,193</u>	176,473	<u>\$ (9,720)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>4,400,778</u>	
FUND BALANCE, END OF YEAR			<u>\$ 4,577,251</u>	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Vendor Fee

Schedule of Revenues, Expenditures
and Change in Fund Balance—Budget and Actual
For the Year Ended December 31, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Vendors fees	\$ 3,167,247	\$ 3,167,247	\$ 3,037,007	\$ (130,240)
Interest	-	73,042	83,578	10,536
TOTAL REVENUES	<u>3,167,247</u>	<u>3,240,289</u>	<u>3,120,585</u>	<u>(119,704)</u>
EXPENDITURES				
Current:				
General government	265,000	3,200	3,118	82
Economic development	20,000	149,695	149,695	-
Capital outlay	<u>732,664</u>	-	-	-
TOTAL EXPENDITURES	<u>1,017,664</u>	<u>152,895</u>	<u>152,813</u>	<u>82</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers out	<u>(2,069,590)</u>	<u>(3,087,255)</u>	<u>(3,055,084)</u>	<u>32,171</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(2,069,590)</u>	<u>(3,087,255)</u>	<u>(3,055,084)</u>	<u>32,171</u>
NET CHANGE IN FUND BALANCE	<u>\$ 79,993</u>	<u>\$ 139</u>	(87,312)	<u>\$ (87,451)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>2,201,616</u>	
FUND BALANCE, END OF YEAR			<u>\$ 2,114,304</u>	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Expanded Downtown District

Schedule of Revenues, Expenditures

and Change in Fund Balance—Budget and Actual

For the Year Ended December 31, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BUDGET</u>	<u>FINAL BUDGET</u>
			<u>BASIS</u>	
REVENUES				
Property taxes	\$ 734,114	\$ 732,227	\$ 721,248	\$ (10,979)
Intergovernmental	253,200	253,200	253,561	361
Charges for services	-	-	90,120	90,120
Interest	60	1,055	1,422	367
TOTAL REVENUES	<u>987,374</u>	<u>986,482</u>	<u>1,066,351</u>	<u>79,869</u>
EXPENDITURES				
Current:				
General government	54,986	54,986	34,367	20,619
Economic development	90,000	104,500	102,617	1,883
TOTAL EXPENDITURES	<u>144,986</u>	<u>159,486</u>	<u>136,984</u>	<u>22,502</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers out	(721,094)	(720,856)	(719,539)	1,317
Transfer in fund balance	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(721,094)</u>	<u>(720,856)</u>	<u>(719,539)</u>	<u>1,317</u>
NET CHANGE IN FUND BALANCE	<u>\$ 121,294</u>	<u>\$ 106,140</u>	209,828	<u>\$ 103,688</u>
FUND BALANCE, BEGINNING OF YEAR			<u>844,034</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,053,862</u>	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

St. Charles District

Schedule of Revenues, Expenditures
and Change in Fund Balance—Budget and Actual
For the Year Ended December 31, 2023

	BUDGETED AMOUNTS		ACTUAL BUDGET BASIS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES:				
Property taxes	\$ 2,798,087	\$ 2,730,976	\$ 2,691,639	\$ (39,337)
Interest	-	2,521	3,109	588
Miscellaneous	-	-	10	10
TOTAL REVENUES	<u>2,798,087</u>	<u>2,733,497</u>	<u>2,694,758</u>	<u>(38,739)</u>
EXPENDITURES				
Current:				
General government	-	-	637,922	(637,922)
Economic development	-	17,528,485	7,527,750	10,000,735
TOTAL EXPENDITURES	<u>-</u>	<u>17,528,485</u>	<u>8,165,672</u>	<u>9,362,813</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers out	(140,093)	(1,989,525)	(1,989,525)	-
Transfers in fund balance	9	16,853,295	-	(16,853,295)
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(140,084)</u>	<u>14,863,770</u>	<u>(1,989,525)</u>	<u>(16,853,295)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,658,003</u>	<u>\$ 68,782</u>	<u>(7,460,439)</u>	<u>\$ (7,529,221)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>17,014,598</u>	
FUND BALANCE, END OF YEAR			<u>\$ 9,554,159</u>	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Lake Minnequa District

**Schedule of Revenues, Expenditures
and Change in Fund Balance - Budget and Actual
For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u> <u>FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BUDGET</u> <u>BASIS</u>	
REVENUES				
Property taxes	\$ 776,738	\$ 829,267	\$ 814,830	\$ (14,437)
Other	-	100	10	(90)
TOTAL REVENUES	<u>776,738</u>	<u>829,367</u>	<u>814,840</u>	<u>(14,527)</u>
EXPENDITURES				
Current:				
General government	2,500	2,600	10	2,590
Economic development	<u>32,000</u>	<u>40,000</u>	<u>41,414</u>	<u>(1,414)</u>
TOTAL EXPENDITURES	<u>34,500</u>	<u>42,600</u>	<u>41,424</u>	<u>1,176</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers out	<u>(667,386)</u>	<u>(696,277)</u>	<u>(694,228)</u>	<u>2,049</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(667,386)</u>	<u>(696,277)</u>	<u>(694,228)</u>	<u>2,049</u>
NET CHANGE IN FUND BALANCE	<u>\$ 74,852</u>	<u>\$ 90,490</u>	79,188	<u>\$ (11,302)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>335,497</u>	
FUND BALANCE, END OF YEAR			<u>\$ 414,685</u>	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

North Pueblo District

**Schedule of Revenues, Expenditures
and Change in Fund Balance—Budget and Actual
For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BUDGET</u>	
REVENUES				
Property taxes	\$ 696,019	\$ 708,937	\$ 697,347	\$ (11,590)
Interest	500	500	71	(429)
Miscellaneous	-	-	7	7
TOTAL REVENUES	<u>696,519</u>	<u>709,437</u>	<u>697,425</u>	<u>(12,012)</u>
EXPENDITURES				
Current:				
General government	2,500	2,500	8	2,492
TOTAL EXPENDITURES	<u>2,500</u>	<u>2,500</u>	<u>8</u>	<u>2,492</u>
TOTAL FINANCING SOURCES AND (USES)				
Transfers out	(653,100)	(663,100)	(663,100)	-
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(653,100)</u>	<u>(663,100)</u>	<u>(663,100)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 40,919</u>	<u>\$ 43,837</u>	34,317	<u>\$ (9,520)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>351,237</u>	
FUND BALANCE, END OF YEAR			<u>\$ 385,554</u>	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Evraz District

**Schedule of Revenues, Expenditures
and Change in Fund Balance—Budget and Actual
For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u> <u>FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BUDGET</u> <u>BASIS</u>	
REVENUES				
Property taxes	\$ 1,163,584	\$ 1,571,307	\$ 1,547,737	\$ (23,570)
Interest	-	232,596	516,406	283,810
Other	-	169,463	-	(169,463)
TOTAL REVENUES	<u>1,163,584</u>	<u>1,973,366</u>	<u>2,064,143</u>	<u>90,777</u>
EXPENDITURES				
Current:				
General government	-	17,902	17,649	253
TOTAL EXPENDITURES	<u>-</u>	<u>17,902</u>	<u>17,649</u>	<u>253</u>
TOTAL FINANCING SOURCES AND (USES)				
Transfer in fund balance	4,184,513	4,184,512	-	(4,184,512)
Transfers out	(4,348,513)	(6,139,976)	(4,348,513)	1,791,463
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(164,000)</u>	<u>(1,955,464)</u>	<u>(4,348,513)</u>	<u>(2,393,049)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 999,584</u>	<u>\$ -</u>	<u>(2,302,019)</u>	<u>\$ (2,302,019)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>12,049,555</u>	
FUND BALANCE, END OF YEAR			<u>\$ 9,747,536</u>	

PUEBLO URBAN RENEWAL AUTHORITY
(A COMPONENT UNIT OF THE CITY OF PUEBLO, COLORADO)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

BUDGETARY INFORMATION

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

Prior to November 1 of each year, the executive director submits to the board of commissioners a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the board of commissioners to obtain comments. The Authority adopts budgets for all funds and each fund uses 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.

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution. The board of commissioners may amend the original adopted budget during the year by passing a new resolution to reflect current needs. The 2023 budget was amended for additional expenditures.

The legal level of budgetary control for all funds is at the total fund level which means that total expenditures and other financing uses cannot legally exceed total appropriations for that fund.

PUEBLO URBAN RENEWAL AUTHORITY
(a component unit of the City of Pueblo, Colorado)
Retirement Plan Supplementary Information
For the Year Ended December 31, 2023

Schedule of Proportionate Share of the Net Pension and OPEB Liability and Related Ratios

Colorado PERA - Pension

<u>Year Ending*</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Payroll</u>	<u>as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
12/31/2015	0.038%	\$ 546,620	\$ 221,290	247.02%	80.72%
12/31/2016	0.038%	\$ 429,236	\$ 239,406	179.29%	76.90%
12/31/2017	0.039%	\$ 533,355	\$ 308,342	172.98%	73.65%
12/31/2018	0.051%	\$ 562,700	\$ 336,780	167.08%	79.37%
12/31/2019	0.051%	\$ 645,451	\$ 405,156	159.31%	75.96%
12/31/2020	0.059%	\$ 430,277	\$ 470,419	91.47%	86.26%
12/31/2021	0.067%	\$ 347,696	\$ 511,440	67.98%	90.88%
12/31/2022	0.069%	\$ (58,927)	\$ 663,193	-8.89%	101.49%
12/31/2023	0.081%	\$ 812,888	\$ 681,645	119.25%	82.99%

Colorado PERA - OPEB

<u>Year Ending*</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Actual Covered Payroll</u>	<u>as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total OPEB Liability</u>
12/31/2018	0.004%	\$ 50,980	\$ 336,780	15.14%	17.50%
12/31/2019	0.004%	\$ 54,211	\$ 405,156	13.38%	17.03%
12/31/2020	0.005%	\$ 50,647	\$ 470,419	10.77%	24.49%
12/31/2021	0.005%	\$ 48,338	\$ 511,440	9.45%	32.78%
12/31/2022	0.005%	\$ 46,074	\$ 663,193	6.95%	39.40%
12/31/2023	0.007%	\$ 53,360	\$ 681,645	7.83%	38.57%

* The data provided in this schedule is based as of the measurement date of the Authority's net pension liability, which is as of the beginning of the year.

Schedules of Employer Contributions

Colorado PERA - Pension

<u>Year Ending</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2014	\$24,534	\$28,533	3,999	\$208,269	13.7%
12/31/2015	\$24,199	\$30,459	6,260	\$221,290	13.8%
12/31/2016	\$30,357	\$32,799	2,442	\$239,406	13.7%
12/31/2017	\$39,098	\$41,806	2,708	\$308,342	13.6%
12/31/2018	\$42,704	\$42,704	-	\$336,780	12.7%
12/31/2019	\$51,374	\$51,374	-	\$405,156	12.7%
12/31/2020	\$60,907	\$60,907	-	\$470,419	12.9%
12/31/2021	\$67,510	\$67,510	-	\$511,440	13.2%
12/31/2022	\$89,356	\$89,356	-	\$663,193	13.5%
12/31/2023	\$93,662	\$93,662	-	\$681,645	13.7%

Colorado PERA - OPEB

<u>Year Ending</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2018	\$3,435	\$3,435	-	\$336,780	1.02%
12/31/2019	\$4,133	\$4,133	-	\$405,156	1.02%
12/31/2020	\$4,798	\$4,798	-	\$470,419	1.02%
12/31/2021	\$5,217	\$5,217	-	\$511,440	1.02%
12/31/2022	\$6,765	\$6,765	-	\$663,193	1.02%
12/31/2023	\$6,953	\$6,953	-	\$681,645	1.02%

Note: These schedules are intended to show information for ten years. As applicable, additional years will be displayed as they become available.

OTHER SUPPLEMENTARY INFORMATION

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Combining Balance Sheet

Other Governmental Funds

December 31, 2023

	SPECIAL REVENUE FUNDS				TOTALS
	THUNDER VILLAGE DISTRICT	THUNDER VILLAGE DISTRICT 2	FOUNTAIN CREEK DISTRICT	LOWER WESTSIDE DISTRICT	
ASSETS					
Cash and cash equivalents	\$ 20	\$ 5	\$ 5,760	\$ 43,470	\$ 49,255
Property taxes receivable	180,954	142,804	34,368	9,967	368,093
TOTAL ASSETS	<u>180,974</u>	<u>142,809</u>	<u>40,128</u>	<u>53,437</u>	<u>417,348</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	-	-	-	-	-
Advance from other funds	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes	180,954	142,804	34,368	9,967	368,093
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>180,954</u>	<u>142,804</u>	<u>34,368</u>	<u>9,967</u>	<u>368,093</u>
FUND BALANCES					
Restricted	20	5	5,760	43,470	49,255
TOTAL FUND BALANCES	<u>20</u>	<u>5</u>	<u>5,760</u>	<u>43,470</u>	<u>49,255</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 180,974</u>	<u>\$ 142,809</u>	<u>\$ 40,128</u>	<u>\$ 53,437</u>	<u>\$ 417,348</u>

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Other Governmental Funds

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances**

For the Year Ended December 31, 2023

	SPECIAL REVENUE FUNDS				TOTALS
	THUNDER VILLAGE DISTRICT	THUNDER VILLAGE DISTRICT 2	FOUNTAIN CREEK DISTRICT	LOWER WESTSIDE DISTRICT	
REVENUES					
Property taxes	\$ 90,282	\$ 10,468	\$ 795	\$ 10,761	\$ 112,306
Interest	13	2	7	52	74
TOTAL REVENUES	<u>90,295</u>	<u>10,470</u>	<u>802</u>	<u>10,813</u>	<u>112,380</u>
EXPENDITURES					
Current:					
Economic development	45,141	5,235	-	3,000	53,376
TOTAL EXPENDITURES	<u>45,141</u>	<u>5,235</u>	<u>-</u>	<u>3,000</u>	<u>53,376</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>45,154</u>	<u>5,235</u>	<u>802</u>	<u>7,813</u>	<u>59,004</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(45,141)	(5,234)	-	-	(50,375)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(45,141)</u>	<u>(5,234)</u>	<u>-</u>	<u>-</u>	<u>(50,375)</u>
NET CHANGE IN FUND BALANCES	<u>13</u>	<u>1</u>	<u>802</u>	<u>7,813</u>	<u>8,629</u>
FUND BALANCES, BEGINNING OF YEAR	<u>7</u>	<u>4</u>	<u>4,958</u>	<u>35,657</u>	<u>40,626</u>
FUND BALANCES, END OF YEAR	<u>\$ 20</u>	<u>\$ 5</u>	<u>\$ 5,760</u>	<u>\$ 43,470</u>	<u>\$ 49,255</u>

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Thunder Village District

Schedule of Revenues, Expenditures
and Change in Fund Balance—Budget and Actual
For the Year Ended December 31, 2023

	<u>BUDGETED AMOUNTS FINAL</u>	<u>ACTUAL BUDGET BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES			
Property taxes	\$ 91,550	\$ 90,282	\$ (1,268)
Interest	<u>20</u>	<u>13</u>	<u>(7)</u>
TOTAL REVENUES	<u>91,570</u>	<u>90,295</u>	<u>(1,275)</u>
EXPENDITURES			
Current:			
Economic development	<u>45,795</u>	<u>45,141</u>	<u>654</u>
TOTAL EXPENDITURES	<u>45,795</u>	<u>45,141</u>	<u>654</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers out	<u>(45,775)</u>	<u>(45,141)</u>	<u>634</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(45,775)</u>	<u>(45,141)</u>	<u>634</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	13	<u>\$ 13</u>
FUND BALANCE, BEGINNING OF YEAR		<u>7</u>	
FUND BALANCE, END OF YEAR		<u>\$ 20</u>	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Thunder Village District 2

Schedule of Revenues, Expenditures
and Change in Fund Balance—Budget and Actual
For the Year Ended December 31, 2023

	<u>BUDGETED AMOUNTS FINAL</u>	<u>ACTUAL BUDGET BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES			
Property taxes	\$ 10,608	\$ 10,468	\$ (140)
Interest	<u>-</u>	<u>2</u>	<u>2</u>
TOTAL REVENUES	<u>10,608</u>	<u>10,470</u>	<u>(138)</u>
EXPENDITURES			
Current:			
Economic development	<u>5,304</u>	<u>5,235</u>	<u>69</u>
TOTAL EXPENDITURES	<u>5,304</u>	<u>5,235</u>	<u>69</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers out	<u>(5,304)</u>	<u>(5,234)</u>	<u>70</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(5,304)</u>	<u>(5,234)</u>	<u>70</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	1	<u>\$ 1</u>
FUND BALANCE, BEGINNING OF YEAR		<u>4</u>	
FUND BALANCE, END OF YEAR		<u>\$ 5</u>	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Fountain Creek District

Schedule of Revenues, Expenditures
and Change in Fund Balance—Budget and Actual
For the Year Ended December 31, 2023

	BUDGETED AMOUNTS FINAL	ACTUAL BUDGET BASIS	VARIANCE WITH FINAL BUDGET
REVENUES			
Property taxes	\$ 803	\$ 795	\$ (8)
Interest	<u>9</u>	<u>7</u>	<u>(2)</u>
TOTAL REVENUES	<u>812</u>	<u>802</u>	<u>(10)</u>
EXPENDITURES			
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES AND (USES)			
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 812</u>	802	<u>\$ (10)</u>
FUND BALANCE, BEGINNING OF YEAR		<u>4,958</u>	
FUND BALANCE, END OF YEAR		<u>\$ 5,760</u>	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Lower West Side

Schedule of Revenues, Expenditures and Change in Fund Balance—Budget and Actual For the Year Ended December 31, 2023

	<u>BUDGETED AMOUNTS FINAL</u>	<u>ACTUAL BUDGET BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES			
Property taxes	\$ 10,861	\$ 10,761	\$ (100)
Interest	<u>64</u>	<u>52</u>	<u>(12)</u>
TOTAL REVENUES	<u>10,925</u>	<u>10,813</u>	<u>(112)</u>
EXPENDITURES			
Current:			
Economic development	<u>3,000</u>	<u>3,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>3,000</u>	<u>3,000</u>	<u>-</u>
OTHER FINANCING SOURCES AND (USES)			
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 7,925</u>	7,813	<u>\$ (112)</u>
FUND BALANCE, BEGINNING OF YEAR		<u>35,657</u>	
FUND BALANCE, END OF YEAR		<u>\$ 43,470</u>	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Debt Service Fund

Schedule of Revenues, Expenditures
and Change in Fund Balance—Budget and Actual
For the Year Ended December 31, 2023

	<u>BUDGETED AMOUNTS FINAL</u>	<u>ACTUAL BUDGET BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES			
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
Debt service:			
Principal	2,600,215	2,600,215	-
Interest	<u>5,376,257</u>	<u>5,376,257</u>	<u>-</u>
TOTAL EXPENDITURES	<u>7,976,472</u>	<u>7,976,472</u>	<u>-</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers in	<u>7,976,472</u>	<u>7,976,472</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>7,976,472</u>	<u>7,976,472</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, BEGINNING OF YEAR		<u>-</u>	
FUND BALANCE, END OF YEAR		<u>\$ -</u>	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Pueblo Convention Center Enterprise Fund

Schedule of Revenues, Expenditures

and Change in Net Position—Budget and Actual

For the Year Ended December 31, 2023

	BUDGETED AMOUNTS FINAL	ACTUAL BUDGET BASIS	VARIANCE WITH FINAL BUDGET
REVENUES			
Charges for services	\$ 2,900,000	\$ 2,876,590	\$ (23,410)
Investment earnings	-	150,274	150,274
Rent income	-	15,897	15,897
TOTAL REVENUES	<u>2,900,000</u>	<u>3,042,761</u>	<u>142,761</u>
EXPENDITURES			
Current:			
Contractual expenditures	3,996,528	3,869,985	126,543
General administration	350,000	350,000	-
Debt service	1,093,015	1,092,785	230
Capital outlay	685,000	379,126	305,874
TOTAL EXPENDITURES	<u>6,124,543</u>	<u>5,691,896</u>	<u>432,647</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers in	2,539,543	2,561,907	22,364
Capital contributions	685,000	534,220	(150,780)
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>3,224,543</u>	<u>3,096,127</u>	<u>(128,416)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES AND (USES)	<u>\$ -</u>	446,992	<u>\$ 446,992</u>
ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS			
Capital outlay		379,126	
Depreciation expense		(1,386,916)	
Loss on disposal		(24,238)	
Principal payment on debt		209,702	
CHANGE IN NET POSITION - GAAP BASIS		<u>\$ (375,334)</u>	

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Pueblo Urban Renewal Authority
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 activity, each major fund, and the aggregate remaining fund information of Pueblo Urban Renewal Authority (the Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 9, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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

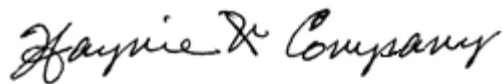
material weaknesses or, significant deficiencies and therefore, material weaknesses may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Littleton, Colorado
April 9, 2024

PUEBLO URBAN RENEWAL AUTHORITY
(A COMPONENT UNIT OF THE CITY OF PUEBLO, COLORADO)
Schedule of Findings and Questioned Costs
DECEMBER 31, 2023

1. Summary of Auditors' Results

Type of report issued on the financial statements:	Unmodified
Material weaknesses in financial reporting internal control noted:	None identified
Significant deficiency(s) identified that are not considered to be material weaknesses in financial reporting:	None identified
Material noncompliance noted:	None identified

2. Summary Schedule of Prior Audit Findings

None