

PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://www.CLAconnect.com)

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024**

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	12
STATEMENT OF ACTIVITIES	13
FUND FINANCIAL STATEMENTS	
GOVERNMENTAL FUND	
BALANCE SHEET – GENERAL FUND	14
RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION	15
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GENERAL FUND	16
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES	17
NOTES TO FINANCIAL STATEMENTS	18
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	53
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY	54
SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION	55
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY	56
SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB	57
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	58

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024**

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	65
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	66
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 <i>GOVERNMENT AUDITING STANDARDS</i>	67
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	69
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	72

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Health
Pueblo Department of Public Health and Environment
Pueblo, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of Pueblo Department of Public Health and Environment (Health Department), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Pueblo Department of Public Health and Environment's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Pueblo Department of Public Health and Environment, as of December 31, 2024, and the respective changes in financial position 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 financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pueblo Department of Public Health and Environment and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 14 to the financial statements, effective January 1, 2024, the Health Department adopted new accounting guidance for compensated absences. The guidance requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. As a result of the implementation, the Health Department had a restatement to beginning net position. Our opinions are not modified with respect to this matter.

Restatement Due to Correction of Errors

As discussed in Note 14 to the financial statements, beginning net position was restated to correct deferred outflows of resources related to pension and other postemployment benefits. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pueblo Department of Public Health and Environment'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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pueblo Department of Public Health and Environment'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 Pueblo Department of Public Health and Environment'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 management's discussion and analysis, the schedule of revenues, expenditures and change in fund balance – budget and actual – General Fund, schedule of the proportionate share of the net pension (asset) liability, schedule of employer contributions – pension, schedule of the proportionate share of the net OPEB liability, and schedule of employer contributions – OPEB, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pueblo Department of Public Health and Environment's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2025, on our consideration of Pueblo Department of Public Health and Environment’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 Pueblo Department of Public Health and Environment’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 Pueblo Department of Public Health and Environment’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Denver, Colorado
June 17, 2025

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024**

As management of the Pueblo Department of Public Health and Environment (the Health Department), we offer readers this discussion and analysis in order to provide a financial performance overview of the Health Department's financial activities for the fiscal years ended December 31, 2024 and 2023. Readers are encouraged to use the information presented here in conjunction with the financial statements that follow this narrative.

Financial Highlights

The Health Department's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$883,521 at December 31, 2024 and \$290,989 at December 31, 2023, as restated.

The assets of the General Fund of the Health Department exceeded its liabilities by \$4,610,476 at December 31, 2024, which is a decrease of \$11,662 from the balance at December 31, 2023. The assets of the General Fund of the Health Department exceeded its liabilities by \$4,622,138 at December 31, 2023, which is a decrease of \$114,963 from the balance at December 31, 2022. As of December 31, 2024, \$1,308,385 may be used to meet the Health Department's ongoing obligations. As of December 31, 2023, \$1,137,078 may be used to meet the Health Department's ongoing obligations.

In fiscal year 2024, total revenues decreased by 8.0% or approximately \$830,000, which was due to a decrease in intergovernmental specific grants. Expenditures decreased by 8.92% or approximately \$934,000 due to a decrease in expenses for temp services. In fiscal year 2023, total revenues decreased by 7.8% or approximately \$868,000, which was due to a decrease in intergovernmental specific grants. Expenditures decreased by 4.5% or approximately \$497,000 due to a decrease in expenses for temp services.

Overview of the Financial Statements

This discussion and analysis is an introduction to the Health Department's basic financial statements including three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The financial statements also contain other supplementary information.

Government-Wide Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) reflect the financial activities of the Health Department.

The statement of net position reports all of the governmental fund's current financial assets (short-term spendable resources) and all capital assets less all short and long-term obligations. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Health Department is improving or declining.

The statement of activities presents information showing how the Health Department's net position changed during the most recent calendar year. Regardless of when cash is received or distributed, changes in net position are reported when the underlying event giving rise to the change occurs. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The Health Department has no business-type activities.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024**

Governmental Fund Financial Statements

A governmental fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Health Department, like other state and local government agencies, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The governmental fund financial statements represent all of the Health Department's current activities.

Governmental Funds

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements (the balance sheet and the statement of revenues, expenditures, and changes in fund balance) focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Health Department's near-term financing requirements.

The focus of governmental fund financial statements is narrower than that of the government-wide financial statements. Comparing the information presented for governmental funds with similar information presented for government-wide activities may assist readers to understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

Notes to the Basic Financial Statements

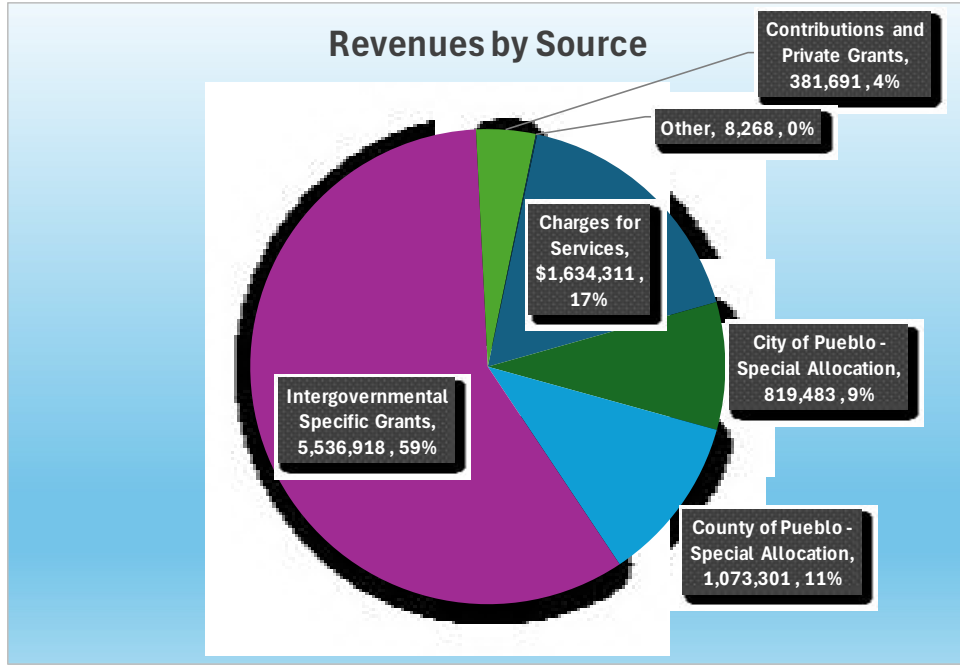
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements.

Other Information

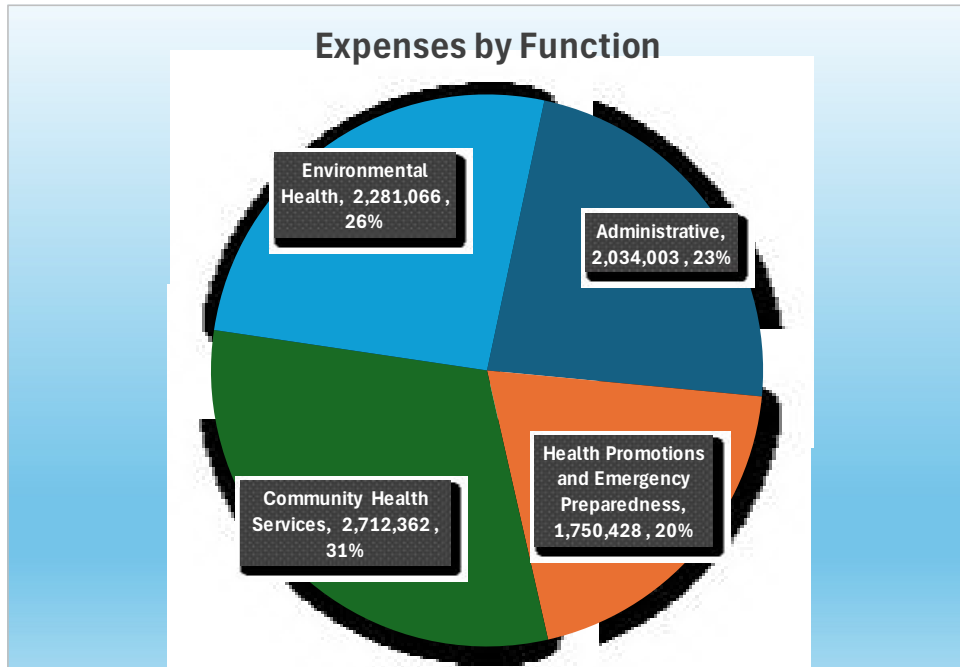
In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Health Department's budgetary comparison schedules for the general fund, which demonstrates compliance with the annual appropriated budget, the schedule of proportionate share of the net pension liability and the schedule of pension contributions and related ratios to the pension plan, which demonstrate the Health Department's share in the total net pension liability and annual contributions to PERA, as well as the schedule of proportionate share of the net OPEB liability and the schedule of OPEB contributions and related ratios to the OPEB plan, which demonstrate the Health Department's share in the total net OPEB liability and annual contributions to PERA.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024**

The Health Department is funded from a variety of sources. The percentage of monies received from each of these sources in 2024 is shown below:



The revenues from the previous sources were distributed in the following manner:



**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024**

Government-Wide Statements

The **Statement of Net Position** presents information on the Health Department's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as "net position." Increases or decreases in net position may serve as a useful indicator as to whether the financial condition of the Health Department is improving or deteriorating over time.

The following table reflects the condensed Statement of Net Position compared to the prior fiscal year:

	<u>2024</u>	<u>2023, Restated*</u>
Assets:		
Current and Other Assets	\$ 5,262,727	\$ 5,275,086
Capital Assets	187,828	243,092
Total Assets	<u>5,450,555</u>	<u>5,518,178</u>
Deferred Outflows of Resources	2,761,247	4,364,881
Liabilities:		
Current Liabilities	652,251	652,948
Current Portion of Compensated Absences	61,935	-
Net Pension and OPEB Liability	5,560,648	8,222,705
Long-Term Portion of Compensated Absences	672,093	500,202
Total Liabilities	<u>6,946,927</u>	<u>9,375,855</u>
Deferred Inflows of Resources	<u>381,354</u>	<u>216,215</u>
Net Position:		
Investment in Capital Assets	187,828	243,092
Restricted	201,404	391,527
Unrestricted	494,289	(343,630)
Total Net Position	<u>\$ 883,521</u>	<u>\$ 290,989</u>

*During fiscal year 2024, the Health Department determined that deferred outflows of resources related to pension and OPEB were understated in the government-wide statement of net position by \$154,737 and \$103,845, respectively. Under Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, the 2023 deferred outflows of resources in the table above was restated to reflect the increase of \$258,582. For more information, see Note 14 to the basic financial statements.

The **Statement of Activities** presents information showing how the Pueblo Department of Public Health and Environment's net assets changed during the most recent fiscal year. Revenues and expenses in this statement are recorded when earned or a liability is incurred. For example, items such as the value of earned but unused vacation leave will be recorded as an expense of the current period even though the actual use of the vacation time may not be used until subsequent periods.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024**

The following table reflects the condensed Statement of Activities compared to the prior fiscal year:

	2024	2023, Restated*
Revenues:		
Charges for Services	\$ 1,634,320	\$ 1,496,378
Operating Grants and Contributions:		
City of Pueblo - Special Allocation	819,483	819,483
County of Pueblo - Special Allocation	1,073,301	1,088,299
Intergovernmental Specific Grants	5,536,910	6,292,866
Contributions and Private Grants	381,691	584,633
Investment Earnings	65,861	61,240
Other	8,268	7,298
Total Revenues	9,519,834	10,350,197
Expenses:		
Health and Welfare:		
Administrative	2,034,003	2,230,098
Health Promotions and Emergency Preparedness	1,750,428	2,274,874
Community Health Services	2,712,362	3,373,383
Environmental Health	2,281,066	2,235,959
Total Expenses	8,777,859	10,114,314
Change in Net Position	\$ 741,975	\$ 235,883

*Under GASB Statement No. 100, *Accounting Changes and Error Corrections*, the 2023 expenses in the table above were restated to allocate the increase in deferred outflows of resources related to pension and OPEB totaling \$258,582. For more information, see Note 14 to the basic financial statements.

The table below shows the condensed budget comparison for 2024:

	Final Budget	Actual
Revenues:		
Charges for Service	\$ 1,646,239	\$ 1,634,310
Intergovernmental	1,892,783	1,892,783
Grants and Contributions	5,176,839	5,918,608
Investment Earnings	12,000	65,861
Other	-	8,269
Total Revenues	\$ 8,727,861	\$ 9,519,830
Expenditures:		
Personnel and Benefits	\$ 7,818,014	\$ 7,698,226
Operating	1,594,271	1,803,203
Capital Outlay	-	30,059
Total Expenditures	\$ 9,412,285	\$ 9,531,489

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024**

Economic Factors and Next Year's Budget

The Pueblo Department of Public Health and Environment provides critical services to the citizens within the City of Pueblo and Pueblo County. The costs of these services continue to rise due to inflation. The Health Department's revenue will decrease in 2025 by \$576,066 mainly due to the ending of COVID-19 funding sourced and other grant contracts ending in 2024. All programs will continue to be evaluated to assure that adequate funding is available to sustain the needed level of services required and to meet the goal of the Department to be fiscally responsible. The Pueblo Department of Public Health and Environment will continue to research new funding sources to meet the Public Health needs of the community.

Request for Information

This financial report is designed to provide a general overview of the Pueblo Department of Public Health and Environment's finances for all interested parties. Questions concerning any information provided in this report or requests should be addressed to the Pueblo Department of Public Health and Environment, Budget and Finance Director, 101 West 9th Street, Pueblo, Colorado 81003.

BASIC FINANCIAL STATEMENTS

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 2,560,373
Investments	1,281,727
Accounts Receivable	1,367,756
Prepaid Items	52,871
Capital Assets, Net of Depreciation	187,828
Total Assets	5,450,555
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related	2,607,152
OPEB Related	154,095
Total Deferred Outflows of Resources	2,761,247
LIABILITIES	
Accounts Payable	136,162
Due to Other Governments	13,140
Accrued Liabilities	300,446
Unearned Revenue	202,503
Net Pension Liability	5,162,647
Net OPEB Liability	398,001
Compensated Absences:	
Due within One Year	61,935
Due in More Than One Year	672,093
Total Liabilities	6,946,927
DEFERRED INFLOWS OF RESOURCES	
Pension Related	204,270
OPEB Related	177,084
Total Deferred Inflows of Resources	381,354
NET POSITION	
Investment in Capital Assets	187,828
Restricted	201,404
Unrestricted	494,289
Total Net Position	\$ 883,521

See accompanying Notes to Financial Statements.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
GOVERNMENTAL ACTIVITIES				
Administrative Support	\$ 2,034,003	\$ 230,277	\$ 1,359,912	\$ (443,814)
Health Promotions and Emergency Preparedness	1,750,428	-	1,978,113	227,685
Community Health Services	2,712,362	388,826	2,978,117	654,581
Environmental Health	2,281,066	1,015,217	1,495,243	229,394
Total Governmental Activities	<u>\$ 8,777,859</u>	<u>\$ 1,634,320</u>	<u>\$ 7,811,385</u>	667,846
GENERAL REVENUES				
				65,861
Investment Earnings				8,268
Miscellaneous				<u>74,129</u>
Total General Revenues				741,975
CHANGE IN NET POSITION				
				741,975
Net Position - Beginning, as Originally Reported				32,407
Restatement				<u>109,139</u>
Net Position - Beginning, as Restated				<u>141,546</u>
NET POSITION - END OF YEAR				<u>\$ 883,521</u>

See accompanying Notes to Financial Statements.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

ASSETS

Cash and Cash Equivalents	\$	2,560,373
Investments		1,281,727
Accounts Receivable		1,367,756
Prepaid Items		<u>52,871</u>
Total Assets	\$	<u><u>5,262,727</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$	136,162
Due to Other Governments		13,140
Accrued Liabilities		300,446
Unearned revenue		<u>202,503</u>
Total Liabilities		652,251

FUND BALANCE

Nonspendable		52,871
Restricted		201,404
Committed		2,772,816
Assigned		275,000
Unassigned		<u>1,308,385</u>
Total Fund Balance		<u>4,610,476</u>

Total Liabilities and Fund Balance	\$	<u><u>5,262,727</u></u>
------------------------------------	----	-------------------------

See accompanying Notes to Financial Statements.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024**

Total Fund Balance - Governmental Fund	\$ 4,610,476
Amounts reported for governmental activities in the Statement of Net Position are different because:	
The net pension liabilities and related deferred items are not available for current period expenditures and are, therefore, not reported in the governmental funds.	
Net Pension Liability	(5,162,647)
Net OPEB Liability	(398,001)
Deferred Outflows of Resources - Pension Related	2,607,152
Deferred Inflows of Resources - Pension Related	(204,270)
Deferred Outflows of Resources - OPEB Related	154,095
Deferred Inflows of Resources - OPEB Related	(177,084)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	
Capital Assets	2,106,277
Accumulated Depreciation	(1,918,449)
Liabilities regarding compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds.	
	<u>(734,028)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position	<u>\$ 883,521</u>

See accompanying Notes to Financial Statements.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2024**

REVENUES

Charges for Services	\$ 1,634,311
Operating Grants and Contributions:	
City of Pueblo - Special Allocation	819,483
County of Pueblo - Special Allocation	1,073,301
Intergovernmental Specific Grants	5,536,918
Contributions and Private Grants	381,691
Investment Earnings	65,861
Other	8,268
Total Revenues	9,519,833

EXPENDITURES

Health and Welfare:	
Administrative Support	2,185,791
Health Promotions and Emergency Preparedness	1,912,736
Community Health Services	2,954,961
Environmental Health	2,447,948
Capital Outlay	30,059
Total Expenditures	9,531,495

NET CHANGE IN FUND BALANCE

(11,662)

Fund Balance - Beginning of Year

4,622,138

FUND BALANCE - END OF YEAR

\$ 4,610,476

See accompanying Notes to Financial Statements.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balance - Governmental Fund	\$	(11,662)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Depreciation Expense		(85,323)
Capital Outlay		30,059
<p>Changes in the net pension liability, and deferred inflows and outflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
		839,127
<p>Changes in the net OPEB liability, and deferred inflows and outflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
		54,157
<p>Governmental funds report compensated absences as expenses when paid; however, in the Statement of Activities the expense is accrued.</p>		
Compensated Absences		<u>(84,383)</u>
Changes in Net Position of Governmental Activities as Reported in the Statement of Activities	\$	<u><u>741,975</u></u>

See accompanying Notes to Financial Statements.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Pueblo Department of Public Health and Environment (the Health Department) was established on April 10, 1952, by an intergovernmental agreement between the City of Pueblo and the County of Pueblo. The Health Department operates under the provisions of Colorado Revised Statutes (CRS) 1973, 25-1-504. The governing body of the Health Department is composed of five members, two of which are appointed by the City of Pueblo, two are appointed by the County of Pueblo, and one member is jointly appointed. The governing body of the Health Department appoints the Public Health Director, and the Public Health Director appoints all other personnel. The intergovernmental agreement requires the governing body of the Health Department to submit a proposed annual operating budget to the City of Pueblo and the County of Pueblo. The City and County individually determine the amount of their respective annual subsidies for the Health Department. The intergovernmental agreement also stipulates that the participants shall endeavor to appropriate funds to the Health Department that are reasonable, fair, and equitable to all parties.

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

The significant accounting and reporting principles and practices used by the Health Department are described below.

A. Reporting Entity

The Health Department follows generally accepted accounting principles (GAAP) that provide guidance for determining which activities, organizations and functions should be included within the financial reporting entity. GAAP establishes financial accountability as the basic criterion for including a possible component organization in a primary government's legal entity. Financial accountability includes but is not limited to; ability to appoint a majority of the organization's governing body, ability to impose its will on the organization, and potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The Health Department does not have any component units.

As stated above, the Health Department operates under the provisions of CRS 1973, 25-1-504. The Health Department is not considered a component unit of the City of Pueblo or County of Pueblo for their annual financial reporting.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the Health Department. The degree to which the direct expense of a given function or segment is offset by program revenues (i.e., the statement of activities).

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The government-wide focus is more on the sustainability of the Health Department as an entity and the change in aggregate financial position resulting from activities of the fiscal period. The focus of the fund financial statements is on the major individual fund.

Since the Health Department does not operate any enterprise fund or internal service fund activities, no proprietary funds are included in this report. The General Fund, because it is considered a major governmental fund, is the Health Department's only fund.

Fund Financial Statements

The accounts of the Health Department are organized on the basis of funds. Each fund is considered an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other assets together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Health Department reports the following major governmental fund:

General Fund

The General Fund is the primary operating fund of the Health Department. It accounts for general operating financial resources of the Health Department and all operating expenditures are recorded in this fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose, the Health Department generally considers revenue to be available if collected within 60 days of the end of the current fiscal period. In applying the measurable and available concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred, and other grant requirements have been met.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds while proceeds of long-term debt and acquisitions under leases are reported as other financing sources.

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

D. Cash, Cash Equivalents, and Investments

Cash and cash equivalents consist of noninterest-bearing demand deposits. Investments include deposits with Colorado Local Government Liquid Asset Trust (COLOTRUST) investment pool and Colorado Surplus Asset Fund Trust (C-SAFE) investment pool.

E. Accounts Receivable

Accounts receivable are carried at cost net of an allowance for doubtful accounts. Receivables are analyzed for their collectability based on the terms and conditions of agreements, as well as current economic conditions and consideration of the creditors ability to pay. At December 31, 2024, the Health Department had no allowance for doubtful accounts.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. In the governmental funds, reported prepaid items are classified as nonspendable fund balance.

G. Capital Assets

Capital assets of the Health Department consist primarily of furniture and fixtures, computer hardware and software, and equipment and leasehold improvements, used in the routine operations of the Health Department. Durable items with a useful life greater than one year and a cost greater than \$5,000 are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized.

The following is the Health Department's assets depreciated over their estimated useful lives:

Furniture and Fixtures	5 to 10 Years
Computer Hardware and Software	3 Years
Equipment	3 to 10 Years
Improvements	20 Years

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The category of deferred outflow of resources reported in the statement of net position is related to pensions and other postemployment benefits. Deferred outflows on pension and other postemployment benefits are more fully discussed in Notes 7 and 8.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. In the government-wide financial statements. The Health Department's deferred inflows of resources reported on the statement of net position relate to pension and other postemployment benefits, which are more fully discussed in Notes 7 and 8.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Unearned Revenue

Unearned revenues are reported in connection with resources that have been received but not yet earned.

J. Compensated Absences

Health Department employees hired prior to January 1, 2004, may accumulate vacation and sick leave subject to certain limitations regarding total accumulations and the amount that will be paid upon separation from service.

Health Department employees hired on or after January 1, 2004, may accumulate vacation and sick leave subject to certain limitations regarding total accumulations and the amount that will be paid upon separation from service.

The liability for compensated absences reported in the government-wide statement of net position consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

K. Pension

The Health Department participates in the Local 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.

L. Other Postemployment Benefits (OPEB)

The Health Department 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.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity

The Health Department adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, on January 1, 2011. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. As such, governmental funds report fund balances in classifications based primarily on the extent to which the Health Department is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance for the Health Department's governmental fund consists of the following:

- **Nonspendable Fund Balance.** Includes items not expected to be converted to cash in the near-term or funds that legally or contractually must be maintained intact.
- **Restricted Fund Balance.** Includes items restricted by external sources like grantors, donors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance.** Includes amounts that can only be used for the specific purposes determined by a formal action of the Board of Health. The same formal action must be taken to remove or change the limitations placed on the funds.
- **Assigned Fund Balance.** Consists of funds intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. The Health Department has delegated the authority to the Public Health Director, or his designee, to assign funds and amounts to be used for specific purposes.
- **Unassigned Fund Balance.** Is the residual classification of the General Fund and includes all spendable amounts not contained in other classifications. This category also provides the resources necessary to meet any unexpected expenditures and revenue shortfalls.

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.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Net Position

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.** This classification represents the remainder of net assets that do not meet the definition of "invested in capital assets, net of related debt", or "restricted net assets."

O. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

P. Legal Compliance – Budgets

A formal budget for the General Fund is adopted for each calendar year upon approval by the Board of Health. Management may request the Board of Health adopt supplemental appropriations, when the need arises, but cannot amend the adopted budget. No requests from the Board of Health were made in 2024 for supplemental appropriations.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 CASH AND CASH EQUIVALENTS, DEPOSITS, AND INVESTMENTS

A. Cash and Cash Equivalents

Cash and cash equivalents are summarized as follows:

Cash on Hand	\$ 1,565,927
Deposit with County Treasurer	994,446
Total Cash and Cash Equivalents	<u>\$ 2,560,373</u>

B. Deposits

At December 31, 2024, the bank balance of the Health Department's deposits, including deposits with County Treasurer, was \$2,564,661. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining was collateralized in single financial institution collateral pools maintained by the individual financial institutions that hold these deposits but are not subject to credit risk because they are collateralized with securities held by the pledging financial institution's agent in the Health Department's name or County Treasurer.

Colorado law requires all public monies be deposited in financial institutions that have been designated as eligible public depositories. Eligible public depositories must pledge qualifying 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 bank failure, the Health Department's deposits may not be returned to it. The Health Department does not have a policy for custodial credit risk.

C. Investments

The Health Department is subject to the provision of Colorado Revised Statutes 24-75-601 entitled "Concerning Investment in Securities by Public Entities." This law, among other things, outlines the types of securities that public entities in Colorado may acquire and hold as investments. These include U.S. government and agency securities, certain bonds of political subdivisions, bankers' acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds, and guaranteed insurance contracts. The statute also includes a provision limiting any investment to a five-year maturity unless the governing body authorizes a longer period. The Health Department invests in COLOTRUST PLUS+ and C-SAFE which are local government investment pools that are not registered with the SEC as investment companies, but both have policies that provide that they will and do operate in a manner consistent with the SEC's rule 2a7 of the "Investment Company Act of 1940". Rule 2a7 allows SEC-registered mutual funds to use amortized costs rather than market value in computing share prices if certain conditions are met.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 CASH AND CASH EQUIVALENTS, DEPOSITS, AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

The regulatory oversight, for both pools, rests with the Colorado Securities Commission and the fair value of the Health Department’s investment in these two pools is the same as the value of the pool shares.

As of December 31, 2024, the following summarizes the investments and maturities of the Health Department:

Investment Type	Rating	Maturities	Fair Value
COLOTRUST PLUS+	AAAm	< 60 Days	\$ 605,435
C-SAFE	Ammf	< 60 Days	676,292
Total Investments			\$ 1,281,727

COLOTRUST and C-SAFE are external investment pool valued using the NAV per share (or its equivalent) of the investments. COLOTRUST PLUS+ and C-SAFE investments do not have any unfunded commitments, redemption restrictions, or redemption notice periods.

COLOTRUST PLUS+ is a local investment pools that reports at the fair value per share of the pool’s underlying portfolio. For pricing and redeeming shares, COLOTRUST PLUS+ maintains a stable net asset value (NAV) of \$1 per share using the fair value method. COLOTRUST PLUS+ is exempt from being measured at fair value and is excluded from the fair value hierarchy.

C-SAFE is an external investment pool administered by the State Securities Commissioner. C-SAFE operates similarly to a money market fund and each share is equal in value to \$1.00. C-SAFE is valued at amortized cost and based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

Interest Rate Risk

The Health Department’s policy of limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates parallels Colorado statutes.

Credit Risk

The Health Department does not have an investment policy that would further limit its investment choices beyond the requirements of Colorado statutes. As of December 31, 2024, the County’s investments, in COLOTRUST PLUS+ and C-SAFE, were rated AAAM by Standard & Poor’s.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 RECEIVABLES

Receivables at December 31, 2024, consist of the following:

Colorado Department of Health	\$ 1,359,100
Other	<u>8,656</u>
Total	<u><u>\$ 1,367,756</u></u>

NOTE 4 CAPITAL ASSETS

An analysis of changes in capital assets for the year ended December 31, 2024, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Nondepreciable:				
Art	\$ 43,510	\$ -	\$ -	\$ 43,510
Capital Assets, Depreciable:				
Furniture and Fixtures	463,282	-	-	463,282
Computer Hardware and Software	241,100	-	(17,617)	223,483
Equipment	1,343,966	10,153	-	1,354,119
Improvements	1,977	19,906	-	21,883
Subtotal	<u>2,050,325</u>	<u>30,059</u>	<u>(17,617)</u>	<u>2,062,767</u>
Less: Accumulated Depreciation for:				
Furniture and Fixtures	(404,905)	(12,330)	-	(417,235)
Computer Hardware and Software	(234,484)	(6,616)	17,617	(223,483)
Equipment	(1,209,377)	(64,481)	-	(1,273,858)
Improvements	(1,977)	(1,896)	-	(3,873)
Subtotal	<u>(1,850,743)</u>	<u>(85,323)</u>	<u>17,617</u>	<u>(1,918,449)</u>
Total Capital Assets, Depreciable, Net	<u>199,582</u>	<u>(55,264)</u>	<u>-</u>	<u>144,318</u>
Total Capital Assets, Net	<u><u>\$ 243,092</u></u>	<u><u>\$ (55,264)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 187,828</u></u>

Depreciation expense was charged to functions/programs as follows:

Administrative Support	\$ 34,298
Health Promotions and Emergency Preparedness	532
Community Health Services	8,970
Environmental Health Service	41,523
Total Depreciation Expense	<u><u>\$ 85,323</u></u>

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2024:

	Beginning Balance, as Restated (1)	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences	\$ 649,645	\$ 84,383	\$ -	\$ 734,028	\$ 61,935

(1) The beginning balance was restated due to the implementation of GASB Statement No. 101, *Compensated Absences*. See Note 14.

The change in the compensated absence liability is presented as a net change.

NOTE 6 FUND BALANCES

In the fund financial statements, the governmental fund reports the following classification of fund balance at December 31, 2024:

	Fund Financial Statements
Nonspendable:	
Prepaid Items	52,871
Restricted:	
Donations and Deferred Income	201,404
Committed:	
Capital Replacement	470,695
General Operating Fund	2,192,121
Employee Benefit Fund	110,000
Assigned:	
Core Services and Emergency Operating	275,000
Unassigned	1,308,385
Total Fund Balance	<u>\$ 4,610,476</u>

NOTE 7 RISK MANAGEMENT

The Health Department is exposed to various risks of loss related to employee health coverage: Injuries to employees, torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the Health Department carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN

A. Plan Description

Eligible employees of the Health Department are provided with pensions through the LGDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

B. Benefits Provided at December 31, 2023

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

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Benefits Provided at December 31, 2023 (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% or 100% 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, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% 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% 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% 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% 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. For Safety Officers whose disability is caused by an on-the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

C. Contributions

Eligible employees of the Health Department 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 were 9.00% for January 1, 2024 through December 31, 2024.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Contributions (Continued)

The employer contribution requirements are summarized in the table below:

	January 1, 2024 Through December 31, 2024
Employer Contribution Rate ¹	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	(1.02)
Amount Apportioned to the LGDTF ¹	9.98
Amortization Equalization Disbursement (AED) as Specified in C.R. S. § 24-51-411 ¹	2.20
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R. S. § 24-51-411 ¹	1.50
Defined Contribution Supplement as Specified in C.R. S. § 24-51-415	0.08
Total Employer Contribution Rate to the LGDTF ¹	13.76 %

¹ 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 Health Department is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Health Department were \$802,396 for the year ended December 31, 2024.

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

At December 31, 2024, the Health Department reported a liability of \$5,162,647 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TPL to December 31, 2023. The Health Department's proportion of the net pension liability was based on the Health Department's contributions to the LGDTF for the calendar year 2023 relative to the total contributions of participating employers.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At December 31, 2023, the Health Department's proportion was 0.703319%, which was a decrease of 0.066514% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the Health Department, recognized pension expense (benefit) of (\$36,524). At December 31, 2024, the Health Department 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
Differences Between Actual and Expected Experience	\$ 279,386	\$ 5,303
Changes in Assumptions or Other Inputs	-	-
Net Difference Between Project and Actual Earnings on Pension Plan Investments	1,507,514	-
Contributions Subsequent to the Measure Date	802,396	-
Changes in Proportion and Other Differences	17,856	198,967
Total	\$ 2,607,152	\$ 204,270

\$802,396 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense
2025	\$ 105,858
2026	638,459
2027	1,271,431
2028	(415,262)
Total	\$ 1,600,486

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

E. Actuarial Assumptions

The December 31, 2022, valuation used 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%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	1.00% Compounded Annually
PERA Benefit Structure hired after December 31, (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

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

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

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

Post-retirement non-disabled mortality assumptions for members other than Safety Officers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

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

Post-retirement non-disabled mortality assumptions for Safety Officers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

E. Actuarial Assumptions (Continued)

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

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

Disabled mortality assumptions for members other than Safety Officers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for Safety Officers were based upon the unadjusted PubS-2010 Disabled Retiree Table 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 at their November 20, 2020, meeting.

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

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

E. Actuarial Assumptions (Continued)

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

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%.

F. Discount Rate

The discount rate used to measure the TPL was 7.25%. 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%.
- 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 assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

F. Discount Rate (Continued)

- 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 the 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% 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.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023 and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were \$24.967 million and \$1.033 million, respectively.

Based on the above assumptions and methods, the Trust Fund'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% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

G. Sensitivity of the Health Department’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate

The following presents the Health Department’s collective net pension liability calculated using the discount rate of 7.25% as of the measurement date, as well as if the net pension liability or asset were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percent-point higher (8.25%):

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
Health Department's Proportionate Share of Net Pension Liability (Asset)	\$ 10,119,362	\$ 5,162,647	\$ 1,010,591

H. Pension Plan Fiduciary Net Position

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

NOTE 9 DEFINED CONTRIBUTION PENSION PLAN

A. Plan Description

Employees of the Health Department that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an IRC Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available annual comprehensive financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

B. Funding Policy

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service (IRS), as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions, and investment earnings. For the year ended December 31, 2024, program members contributed \$22,963.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 DEFINED OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

A. Plan Description

Eligible employees of the Health Department are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

B. Benefit Provisions

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

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

Enrollment in the PERACare 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.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 DEFINED OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

C. 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% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

D. DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees 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 retirees with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 DEFINED OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

E. 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% 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 Health Department is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Health Department were \$59,480 for the year ended December 31, 2024.

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

At December 31, 2024, the Health Department reported a liability of \$398,001 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023. The Health Department's proportion of the net OPEB liability was based on the Health Department's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the Health Department's proportion was 0.05576%, which was a decrease of 0.00604% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the Health Department recognized OPEB expense of \$5,323. At December 31, 2024, the Health Department 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
Differences Between Actual and Expected Experience	\$ -	\$ 81,574
Changes in Assumptions or Other Inputs	4,680	42,202
Net Difference Between Project and Actual Investment Earnings	12,309	-
Changes in Proportion and Differences between Share of Contributions	77,626	53,308
Contributions Subsequent to the Measure Date	59,480	-
Total	\$ 154,095	\$ 177,084

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 DEFINED OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

F. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$59,480 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>OPEB Expense</u>
2025	\$ (34,523)
2026	(11,734)
2027	(736)
2028	(16,884)
2029	(12,575)
Thereafter	(6,017)
Total	<u><u>\$ (82,469)</u></u>

G. Actuarial Assumptions

The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial Cost Method	Entry Age			
Price Inflation	2.30%			
Real Wage Growth	0.70%			
Wage Inflation	3.00%			
Salary Increases, Including Wage Inflation:				
Members Other than State Troopers	3.30%-10.90%	4.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%			
Discount Rate	7.25%			
Health Care Cost Trend Rates:				
Service-Based Premium Subsidy	0.00%			
PERACare Medicare Plans	7.00% in 2023, gradually decreasing to 4.50% in 2033			
Medicare Part A Premiums	3.50% in 2023, gradually increasing to 4.50% in 2035			

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 DEFINED OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

G. Actuarial Assumptions (Continued)

Each year the per capita health care costs are developed by plan option; currently based on 2023 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions		
Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.20%	2.30%
69	2.80%	2.20%
70	2.70%	1.60%
71	3.10%	0.50%
72	2.30%	0.70%
73	1.20%	0.80%
74	0.90%	1.50%
75-85	0.90%	1.30%
86 and older	0.00%	0.00%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,692	\$1,406	\$579	\$481	\$1,913	\$1,589
70	\$1,901	\$1,573	\$650	\$538	\$2,149	\$1,778
75	\$2,100	\$1,653	\$718	\$566	\$2,374	\$1,869

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,469	\$5,373	\$4,198	\$3,487	\$6,719	\$5,581
70	\$7,266	\$6,011	\$4,715	\$3,900	\$7,546	\$6,243
75	\$8,026	\$6,319	\$5,208	\$4,101	\$8,336	\$6,563

The 2023 Medicare Part A premium is \$506 per month.

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

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 DEFINED OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

G. Actuarial Assumptions (Continued)

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to 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, 2022, 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 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>
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total pension 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 on a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 DEFINED OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

G. Actuarial Assumptions (Continued)

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than Safety Officers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

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

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

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than Safety Officers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

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

Post-retirement non-disabled mortality assumptions for Safety Officers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

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

- Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 DEFINED OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

G. Actuarial Assumptions (Continued)

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

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

Disabled mortality assumptions for members other than Safety Officers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for Safety Officers were based upon the unadjusted PubS-2010 Disabled Retiree Table 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, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums.

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

The actuarial assumptions used in the December 31, 2022, valuation was based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions and were adopted by the PERA Board at their November 20, 2020, meeting.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 DEFINED OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

G. Actuarial Assumptions (Continued)

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

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

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%.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 DEFINED OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

H. Sensitivity of the Health Department’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 1-percentage-point lower or 1-percentage-point higher than the current rates:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare Trend Rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate ¹	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Net OPEB Liability (Asset)	<u>\$ 386,578</u>	<u>\$ 398,001</u>	<u>\$ 410,427</u>

¹ For the January 1, 2024, Plan Year

I. Discount Rate

The discount rate used to measure the TOL was 7.25%. 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, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 DEFINED OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

J. Discount Rate (Continued)

- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

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

K. Sensitivity of the Health Department's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Health Department's collective net OPEB liability calculated using the discount rate of 7.25% as of the measurement date, as well as if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%):

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability (Asset)	\$ 470,090	\$ 398,001	\$ 336,330

L. 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 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 RELATED PARTIES

The Health Department was established by intergovernmental agreement between the City of Pueblo and the County of Pueblo. The following is a summary of the related party transactions for the year ended December 31, 2024:

	City of Pueblo
Recorded as Revenue in the Statement of Activities:	
Operating Subsidy Provided to the Health Department	\$ 819,483
Total City of Pueblo Revenue	\$ 819,483
Recorded as Expenses in the Statement of Activities:	
Payments to the City Made for Automotive Repairs and Maintenance for the Health Department's Vehicles, and Other Program Expenses	\$ 11,593
Total City of Pueblo Expenses	\$ 11,593
	County of Pueblo
Recorded as Revenue in the Statement of Activities:	
Operating Subsidy Provided to the Health Department	\$ 1,073,300
Total County of Pueblo Revenue	\$ 1,073,300
Recorded as Expenses in the Statement of Activities:	
Payments Made to the County for Maintenance and Custodial Services	\$ 112,000
Payments Made to the County for Communication Services	102,363
Payments Made to the County for Other Miscellaneous Expenses	1,266
Total County of Pueblo Expenses	\$ 215,630

At December 31, 2024, accounts receivable from and payable to the City of Pueblo, totaled \$59,957 and \$2,911, respectively, and accounts payable to the County of Pueblo totaled \$15,830.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 12 COMMITMENTS AND CONTINGENCIES

TABOR Amendment

Colorado voters passed an amendment to the state constitution in November 1992 that contains several limitations, including revenue raising, spending abilities, and other specific requirements affecting state and local governments. The amendment is complex and subject to judicial interpretation, and it has not been determined if the Health Department is subject to the amendment.

Other

The Health Department participates in a number of federal and state assisted grant programs. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Health Department. In the opinion of management, however, any such disallowed claims would not have a material effect on the financial statements of the Health Department as of and for the year ended December 31, 2024.

NOTE 13 REVENUE – COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

The Health Department receives various contracts and grants that are passed on from the Colorado Department of Health and Environment. Total revenue allocated to each function of the Health Department for the year ended December 31, 2024, is as follows:

Per Capita	\$ 428,624
Health Promotions and Emergency Preparedness	1,373,287
Community Health Services	2,742,864
Environmental Health Services	<u>453,850</u>
Total from CDPHE	4,998,625
Other Federal Funding	<u>538,293</u>
Total Intergovernmental Specific Grants	<u><u>\$ 5,536,918</u></u>

The Health Department also reports the amounts redeemed under the WIC program for in-kind food debit type cards, from the Colorado Department of Public Health and Environment, in the amount of \$3,802,095. These in-kind donations are not included in the statement of activities or the governmental fund statement of revenues, expenditures, and changes in fund balance, but are reported under the schedule of expenditures of federal awards as noncash expenditures.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 14 ACCOUNTING CHANGES AND ERROR CORRECTIONS

A. Correction of an Error in Previously Issued Financial Statements

During fiscal year 2024, the Health Department determined that deferred outflows of resources related to pension and OPEB were understated in the governmental activities statement of net position by \$154,737 and \$103,845, respectively. Accordingly, this results in an increase of \$258,582 on the prior year’s change in net position. The effect of correcting this error is shown in the table below.

B. Change in Accounting Principle

Effective January 1, 2024, the Entity implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of January 1, 2024 was understated by \$149,443 in the governmental activities. The effect of the implementation of this standard is shown in the table below.

	Governmental Activities
December 31, 2023, as Previously Reported	\$ 32,407
Change in Accounting Principle	(149,443)
Error Correction	258,582
December 31, 2023, as Restated	\$ 141,546

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for Services	\$ 1,646,239	\$ 1,646,239	\$ 1,634,311	\$ (11,928)
Intergovernmental:				
City of Pueblo - Special Allocation	819,483	819,483	819,483	-
County of Pueblo - Special Allocation	1,073,300	1,073,300	1,073,301	1
Specific Grants (Federal and CDPHE)	4,970,757	4,970,757	5,536,918	566,161
Contributions and Private Grants	206,082	206,082	381,691	175,609
Other	-	-	8,268	8,268
Investment Earnings	12,000	12,000	65,861	53,861
Total Revenues	<u>8,727,861</u>	<u>8,727,861</u>	<u>9,519,833</u>	<u>791,972</u>
EXPENDITURES				
Personnel Services	7,024,851	7,024,851	6,889,473	135,378
Employee Benefits	793,163	793,163	808,754	(15,591)
Operating Costs	513,047	513,047	419,071	93,976
Travel	132,838	132,838	166,062	(33,224)
Public Education	44,554	44,554	97,706	(53,152)
Supplies	249,513	249,513	413,562	(164,049)
Other	654,319	654,319	706,808	(52,489)
Capital Outlay	-	-	30,059	(30,059)
Total Expenditures	<u>9,412,285</u>	<u>9,412,285</u>	<u>9,531,495</u>	<u>(119,210)</u>
NET CHANGE IN FUND BALANCE	(684,424)	(684,424)	(11,662)	672,762
Fund Balance - Beginning of Year	-	-	4,622,138	4,622,138
FUND BALANCE - END OF YEAR	<u>\$ (684,424)</u>	<u>\$ (684,424)</u>	<u>\$ 4,610,476</u>	<u>\$ 5,294,900</u>

See accompanying Notes to Required Supplementary Information.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY
COLORADO PERA LOCAL GOVERNMENT DIVISION TRUST FUND
LAST NINE YEARS
(UNAUDITED)**

<u>Fiscal Year</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Plan Measurement Date Ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Entity's Proportion of the Net Pension Liability (Asset)	0.70332%	0.76983%	0.73685%	0.69396%	0.65168%	0.64394%	0.62999%	0.60468%	0.66275%
Proportionate Share of Net Pension Liability (Asset)	<u>\$ 5,162,647</u>	<u>\$ 7,718,059</u>	<u>\$ (631,756)</u>	<u>\$ 3,616,435</u>	<u>\$ 4,766,350</u>	<u>\$ 8,095,683</u>	<u>\$ 7,014,459</u>	<u>\$ 8,165,250</u>	<u>\$ 7,300,688</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	88.0%	83.0%	101.5%	90.9%	86.3%	76.0%	79.4%	73.7%	76.9%
Covered Payroll	\$ 6,162,177	\$ 5,451,121	\$ 4,881,522	\$ 4,487,408	\$ 4,633,513	\$ 4,239,522	\$ 3,974,218	\$ 3,655,021	\$ 3,874,459
Net Pension Liability (Asset) as a Percentage of Covered Payroll	83.8%	141.6%	-12.9%	80.6%	102.9%	191.0%	176.5%	223.4%	188.4%
Proportion of Net Pension Liability (Asset)	88.0%	83.0%	101.5%	90.9%	86.3%	76.0%	79.4%	73.6%	76.9%

Note to Schedule:

Amounts presented for each year were determined as of the measurement date (the calendar year-end that occurred one year prior to the year-end). The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2015 was not available.

See accompanying Notes to Required Supplementary Information.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION
COLORADO PERA LOCAL GOVERNMENT DIVISION TRUST FUND
LAST NINE YEARS
(UNAUDITED)**

<u>Fiscal Year</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 802,396	\$ 848,967	\$ 723,734	\$ 633,466	\$ 569,054	\$ 570,173	\$ 535,384	\$ 503,931	\$ 464,737
Contributions in Relation to the Contractually Required Contribution	<u>802,396</u>	<u>848,967</u>	<u>723,734</u>	<u>633,466</u>	<u>569,054</u>	<u>570,173</u>	<u>535,384</u>	<u>503,931</u>	<u>464,737</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity's Covered Payroll	\$ 5,831,363	\$ 6,162,177	\$ 5,451,121	\$ 4,881,522	\$ 4,487,408	\$ 4,633,513	\$ 4,239,522	\$ 3,974,218	\$ 3,655,021
Contributions as a Percentage of Covered Payroll	13.8%	13.8%	13.3%	13.0%	12.7%	12.3%	12.6%	12.7%	12.7%

* Information determined under provision of GABS 68 is not available for years prior to 2016.

See accompanying Notes to Required Supplementary Information.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
COLORADO PERA LOCAL GOVERNMENT DIVISION TRUST FUND
LAST EIGHT YEARS*
(UNAUDITED)**

<u>Fiscal Year</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Plan Measurement Date Ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016
Entity's Proportion (Percentage) of the Collective Net OPEB Liability	0.05576%	0.06181%	0.05695%	0.05279%	0.04991%	0.04994%	0.04895%	0.04642%
Entity's Proportionate Share of the Collective Net OPEB Liability	<u>\$ 398,001</u>	<u>\$ 504,648</u>	<u>\$ 491,079</u>	<u>\$ 501,602</u>	<u>\$ 560,951</u>	<u>\$ 679,421</u>	<u>\$ 636,191</u>	<u>\$ 601,818</u>
Covered Payroll	\$ 6,162,177	\$ 5,451,121	\$ 4,881,522	\$ 4,487,408	\$ 4,633,513	\$ 4,239,522	\$ 3,974,218	\$ 3,655,021
Entity's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	6.5%	9.3%	10.1%	11.2%	12.1%	16.0%	16.0%	16.5%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.2%	38.6%	39.4%	32.8%	24.5%	17.0%	17.5%	16.7%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 was not available.

See accompanying Notes to Required Supplementary Information.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB
COLORADO PERA LOCAL GOVERNMENT DIVISION TRUST FUND
LAST EIGHT YEARS*
(UNAUDITED)**

<u>Fiscal Year</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 59,480	\$ 62,854	\$ 55,601	\$ 49,792	\$ 45,772	\$ 47,262	\$ 43,243	\$ 40,537
Contributions in Relation to the Contractually Required Contribution	<u>59,480</u>	<u>62,854</u>	<u>55,601</u>	<u>49,792</u>	<u>45,772</u>	<u>47,262</u>	<u>43,243</u>	<u>40,537</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity's Covered Payroll	\$ 5,831,363	\$ 6,162,177	\$ 5,451,121	\$ 4,881,522	\$ 4,487,408	\$ 4,633,513	\$ 4,239,522	\$ 3,974,218
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

* Information determined under provision of GABS 68 is not available for years prior to 2017.

See accompanying Notes to Required Supplementary Information.

PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024
(UNAUDITED)

NOTE 1 BUDGETARY INFORMATION

The Pueblo Department of Public Health and Environment adopts budgets on a basis consistent with GAAP for all government funds.

The Pueblo Department of Public Health and Environment uses the following procedures in establishing the budgetary data reflected in the financial statements. These procedures are in compliance with Colorado Revised Statutes.

- Budgets are required by state law for all funds. A formal budget is adopted each calendar year upon approval by the Board of Health and is employed as a management control device for the General Fund. In addition, the budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles. Budgetary control exists at the total fund level.
- Unused appropriations for all of the annually budgeted fund's lapse at the end of the year. Therefore, encumbrances are not presented as a reservation of fund balance and the Pueblo Department of Public Health and Environment appropriates funds in the subsequent year to honor these commitments.

NOTE 2 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

Changes in assumptions or other input effective for the December 31, 2023 measurement period are as follows:

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

There were no changes in terms or assumptions for the December 31, 2022 measurement period for pension compared to the prior year.

PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024
(UNAUDITED)

NOTE 2 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
(CONTINUED)

Changes in assumptions or other input effective for the December 31, 2021 measurement period are as follows:

- The projected benefit payments reflect the lowered annual increase cap from 1.25% to 1%, resulting from the 2020 AAP assessment, effective July 1, 2022.
- Assumptions on employer and employee contributions were updated to include the additional 0.50% resulting from the 2020 AAP assessment, effective July 1, 2022.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health 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.

PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024
(UNAUDITED)

NOTE 2 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
(CONTINUED)

- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

Changes in assumptions or other input effective for the December 31, 2019 measurement period are as follows:

- The assumption used to value the annual increase (AI) cap benefit provision was changed from 1.50% to 1.25%.

Changes in assumptions or other inputs effective for the December 31, 2018 measurement period are as follows:

- The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.72%

Changes in assumptions or other inputs effective for the December 31, 2017 measurement period are as follows:

- The discount rate was lowered from 5.26% to 4.72%.

Changes in assumptions or other inputs effective for the December 31, 2016 measurement period are as follows:

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.
- The wage inflation assumption was lowered from 3.90% to 3.50%.

PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024
(UNAUDITED)

NOTE 2 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
(CONTINUED)

- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

There were no changes in terms or assumptions for the December 31, 2015 measurement period for pension compared to the prior year.

There were no changes in terms or assumptions for the December 31, 2014 measurement period for pension compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2013 measurement period are as follows:

- The investment return assumption was lowered from 8.00% to 7.50%
- The price inflation assumption was lowered from 3.50% to 2.80%
- The wage inflation assumption was lowered from 4.25% to 3.90%

NOTE 3 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

Changes in assumptions or other input effective for the December 31, 2023 measurement period are as follows:

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024
(UNAUDITED)

NOTE 3 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

Changes in assumptions or other input effective for the December 31, 2022 measurement period are as follows:

- Per capital health costs were developed by plan option based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, UnitedHealthcare 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.
- Health care cost trend rates were revised to reflect an expectation of future increases in rates of inflation.

There were no changes in assumptions or other inputs effective for the December 31, 2021 measurement period for OPEB.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.

PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024
(UNAUDITED)

NOTE 3 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health 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.
- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disability beneficiary mortality assumption for the Division Trust Funds was changed to 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.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

There were no changes in assumptions or other inputs effective for the December 31, 2019 measurement period for OPEB.

There were no changes in assumptions or other inputs effective for the December 31, 2018 measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2017 measurement period for OPEB.

SUPPLEMENTARY INFORMATION

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Additional Award Identifying Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture					
Passed Through from the Colorado Department of Public Health and Environment:					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557		2025*0260 & 2024*2482	\$ 5,262,337	\$ -
U.S. Environmental Protection Agency					
Passed through from the Colorado Department of Public Health and Environment:					
Superfund State Political Subdivision and Indian Tribe Site - Specific Cooperative Agreements	66.802	V00124300-08UATA00		130,479	-
Environmental Protection Agency HAZ PPG RCRA	66.605			1,127	-
Total U.S. Environmental Protection Agency				<u>131,606</u>	<u>-</u>
U.S. Department of Justice					
Comprehensive Opioid, Stimulant, and Substance Abuse Program (COSSAP)					
Total U.S. Department of Justice	16.838	15PBJA-21-GG04561-COAP		<u>244,997</u>	<u>-</u>
U.S. Department of the Treasury					
COVID-19 - Passed Through from the Colorado Department of Public Health and Environment:					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		2024*3052	138,323	-
U.S. Department of Health and Human Services					
Passed Through from the Colorado Department of Public Health and Environment:					
Public Health Emergency Preparedness Injury Prevention and Control Research and State and Community Based Programs	93.069		2025-0140	120,076	-
Family Planning Services	93.136		2019*3604 / 2020*3583	7,639	-
Immunization Cooperative Agreements	93.217		2021*0286 / 2024*0050	82,208	-
	93.268		FHJA 202100010305	340,632	-
			FHCA 202200003014		
			2025*0046		
State Maternal Health Innovation Program	93.110			10,000	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		FHCA 202400002294		
			2025*0463	312,769	-
			FHCA,202400002294		
			2024*8677		
Public Health Emergency Response - Cooperative Agreement for Emergency Response Public Health Crisis Response	93.354		FAAA 202200009778	47,333	-
			2024*6130		
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967		23 FAAA00043	73,233	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977		2024*0720	50,000	-
			2022*3810		
Preventive Health and Health Services Block Grant	93.991		202300004848 FAAA	20,500	-
			202400004790 FAAA		
Maternal and Child Health Services Block Grant to the States	93.994		2022*0909	112,879	-
Passed Through from the Centers for Disease Control and Prevention:					
Environmental Public Health and Emergency Response	93.07		5NUE1EH001429-03-00	101,352	-
Passed Through from the Food and Drug Administration:					
Food and Drug Administration Research	93.103		G-BM&A 202111-01751	61,464	-
Total U.S. Department of Health and Human Services				<u>1,340,085</u>	<u>-</u>
Total Federal Expenditures of Awards				<u>\$ 7,117,348</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2024**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Pueblo Department of Public Health and Environment under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Pueblo Department of Public Health and Environment, it is not intended to and does not present the net position, or changes in net position of Pueblo Department of Public Health and Environment.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pueblo Department of Public Health and Environment has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 FAIR VALUE OF NONCASH AWARDS

Included in the amount reported for Assistance Listing Number 10.557 WIC Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), is \$3,802,095 for the fair market value of the redeemed food instrument issuances. A food instrument is a debit-type card called "eWIC" produced through the Colorado State WIC program that is issued to WIC participants and may be used to obtain WIC approved foods/formula from authorized vendors.

NOTE 4 OTHER ITEMS

Pass-Through Entity's Identifying Number

The pass-through entity's identifying number has been included where available.



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

Board of Health
Pueblo Department of Public Health and Environment
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 and major fund of Pueblo Department of Public Health and Environment, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Pueblo Department of Public Health and Environment's basic financial statements, and have issued our report thereon dated June 17, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pueblo Department of Public Health and Environment'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 Pueblo Department of Public Health and Environment's internal control. Accordingly, we do not express an opinion on the effectiveness of Pueblo Department of Public Health and Environment'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 or significant deficiencies may exist that were not identified.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Pueblo Department of Public Health and Environment’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Pueblo Department of Public Health and Environment’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Pueblo Department of Public Health and Environment’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



CliftonLarsonAllen LLP

Denver, Colorado
June 17, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Health
Pueblo Department of Public Health and Environment
Pueblo, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pueblo Department of Public Health and Environment's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Pueblo Department of Public Health and Environment's major federal programs for the year ended December 31, 2024. Pueblo Department of Public Health and Environment's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Pueblo Department of Public Health and Environment complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Pueblo Department of Public Health and Environment and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Pueblo Department of Public Health and Environment's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors’ Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Pueblo Department of Public Health and Environment’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Pueblo Department of Public Health and Environment’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Pueblo Department of Public Health and Environment’s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Denver, Colorado
June 17, 2025

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes x no
 - Significant deficiency(ies) identified? yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes x no

Identification of Major Federal Programs

Assistance Living Number(s)

10.557

Name of Federal Program or Cluster

Special Supplemental Nutrition Program for Women, Infants and Children (WIC)

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 yes x no

**PUEBLO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Section II – Financial Statement Findings

2024-001 – Pension and Other Postemployment Benefits (OPEB)

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Criteria: During our review of the fiscal year 2024 calculations over deferred outflows of resources related to pension and OPEB, we noted the prior year deferred outflow balances for proportionate share were materially misstated for pension and OPEB.

Criteria or specific requirement: Financial records are to be kept in accordance with Generally Accepted Principles of Governmental Accounting [CRS § 22-45-102 and § 29-1-605].

Effect: Beginning net position was restated as follows:

- Increased by \$154,737 for deferred outflows related to pension
- Increased by \$103,845 for deferred outflows related to OPEB

Cause: Documentation was not maintained to support the calculated pension and OPEB balances. Lack of internal controls over financial close and reporting.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that management enhance its internal controls over the financial close and reporting process by retaining year-end pension and OPEB calculations, and by establishing a formal procedure to ensure the completeness and accuracy of financial reporting.

Views of responsible officials and planned corrective actions: The management agrees with the finding. Management will perform a review of internal controls, maintain proper calculations, and design procedures ensuring sufficient financial close and reporting for the year-end pension and OPEB footnotes.

Section III – Federal Award Findings and Questioned Costs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.