

**CITY OF PUEBLO, COLORADO**  
**FEDERAL FINANCIAL ASSISTANCE**  
**SINGLE AUDIT REPORT**  
**YEAR ENDED DECEMBER 31, 2013**

**CITY OF PUEBLO, COLORADO**  
**FEDERAL FINANCIAL ASSISTANCE/SINGLE AUDIT REPORT**  
**YEAR ENDED DECEMBER 31, 2013**

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**FINANCIAL SECTION**



McPherson,  
Breyfogle,  
Daveline &  
Goodrich, PC  
Certified Public Accountants

503 N. Main St., Suite 740

Pueblo, CO 81003-3131

Phone (719) 543-0516

Fax (719) 544-2849

## INDEPENDENT AUDITORS' REPORT

City Council  
City of Pueblo, Colorado

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pueblo, Colorado (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pueblo, Colorado as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 17 and the required supplementary information as listed in the table of contents on pages 89 through 101 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplemental Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pueblo, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements and schedules as listed in the table of contents and the other information labeled as the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules as listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2014 on our consideration of the City of Pueblo, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Pueblo, Colorado's internal control over financial reporting and compliance.

*McPherson, Bruyfogel, Duvelin & Goodrich, PC*

June 25, 2014



## **CITY OF PUEBLO, COLORADO MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management of the City of Pueblo, Colorado (the City) offers the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2013. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal found in the introductory section of this annual report.

### **FINANCIAL HIGHLIGHTS**

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2013 by \$591.1 million (net position), \$413.4 million in governmental activities and \$177.7 million in business-type activities. Of the governmental activities net position, \$20.3 million is unrestricted and is available to meet the government's ongoing obligations. Similarly, \$19.8 million of business-type activities net position are unrestricted.

The General Fund, the City's primary operating fund, ended 2013 with a \$17.6 million fund balance, a decrease of \$2 million. Of this amount, \$7.7 million or 10% of expenditures and transfers-out is committed by City Council as a minimum reserve for major unanticipated emergencies.

General fund revenues including transfers-in increased \$12.6 million in 2013 and expenditures including transfers out increased by \$11.1 million in 2013. The large increase in revenue was due to a one time State contribution of \$11.3 million to the City's Old Hire Fire Pension Plan. The City had a corresponding public safety expenditure of \$11.3 million to record the pension contribution.

The City's total long-term debt decreased by \$6.7 million during the current year. The large decrease was primarily due to the contribution to the Old Hire Fire Pension Plan that paid off the reported prior year net pension obligation of \$5.7 million.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

statements, also provided are required and other supplementary information.

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

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

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

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

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

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

**Governmental funds** are used to account for essentially the same functions as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

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

Proprietary funds financial statements provide the same information as the government-wide financial statements, only in more detail. Elmwood Golf Course, Walkingstick Golf Course, Sewer User, Stormwater Utility and Memorial Airport enterprise funds are considered to be major enterprise funds and therefore are presented separately within the proprietary fund financial statements. Data for the other four enterprise funds are combined into a single aggregated presentation.

Individual fund data for these non-major enterprise funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City of Pueblo, total assets exceeded total liabilities by \$591.1 million at December 31, 2013. By far, the largest portion of the City's net position (78%) reflects its investment of \$463 million in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure including streets and underground drainage systems), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$88.4 million (15%) represent resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position, \$40.1 million (7%) may be used to meet the city's on-going obligations to citizens and creditors. It is important to note that the \$19.8 million of unrestricted net position in the city's business-type activities may not be used to fund governmental activities.

The following table reflects the condensed Statement of Net Position as of December 31, 2013 and 2012:

<b>City of Pueblo</b>						
<b>Summarized Statement of Net Position</b>						
	Governmental Activities		Business-type Activities		Totals Primary Government	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 142,829,095	\$ 139,405,266	\$ 22,884,422	\$ 23,865,531	\$ 165,713,517	\$ 163,270,797
Capital assets	330,033,904	325,857,199	188,836,902	170,424,535	518,870,806	496,281,734
<b>Total assets</b>	<b>472,862,999</b>	<b>465,262,465</b>	<b>211,721,324</b>	<b>194,290,066</b>	<b>684,584,323</b>	<b>659,552,531</b>
Deferred outflows of resources	44,895	67,342	-	-	44,895	67,342
Current and other liabilities	7,391,805	6,990,945	1,981,062	3,002,903	9,372,867	9,993,848
Long-term liabilities outstanding	38,022,928	43,390,113	32,090,076	33,450,542	70,113,004	76,840,655
<b>Total liabilities</b>	<b>45,414,733</b>	<b>50,381,058</b>	<b>34,071,138</b>	<b>36,453,445</b>	<b>79,485,871</b>	<b>86,834,503</b>
Deferred inflows of resources	14,051,058	13,874,796	-	-	14,051,058	13,874,796
Net position						
Net investment in capital assets	304,720,914	300,421,948	157,831,233	138,568,644	462,552,147	438,990,592
Restricted	88,385,298	88,835,861			88,385,298	88,835,861
Unrestricted	20,335,891	11,816,144	19,818,953	19,267,977	40,154,844	31,084,121
<b>Total net position</b>	<b>\$ 413,442,103</b>	<b>\$ 401,073,953</b>	<b>\$ 177,650,186</b>	<b>\$ 157,836,621</b>	<b>\$ 591,092,289</b>	<b>\$ 558,910,574</b>

The City's total net position increased by \$32.2 million in 2013. Unrestricted net position decreased \$ 6.8 million and were used to support core operations, maintain infrastructure and invest in critical capital needs. Additional details of capital asset activity can be seen in an additional chart further on in this report.

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**Changes in net position.** The following table reflects the City's changes in net position for the years ended December 31, 2013 and 2012:

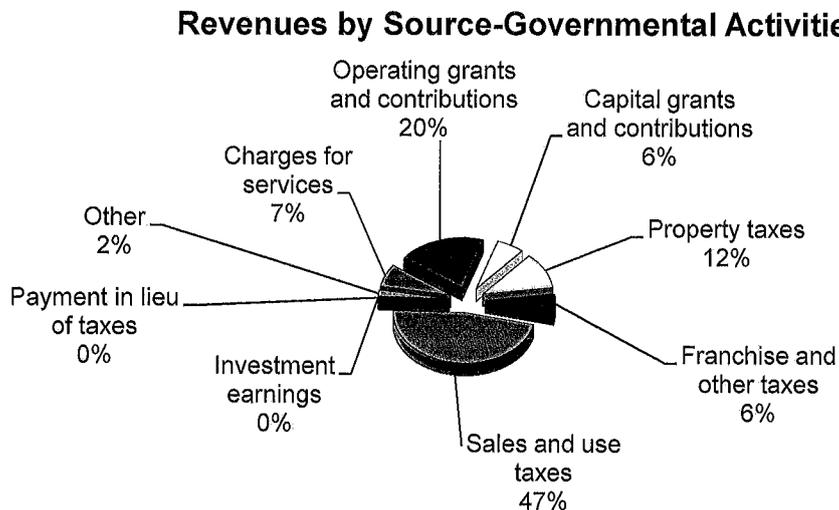
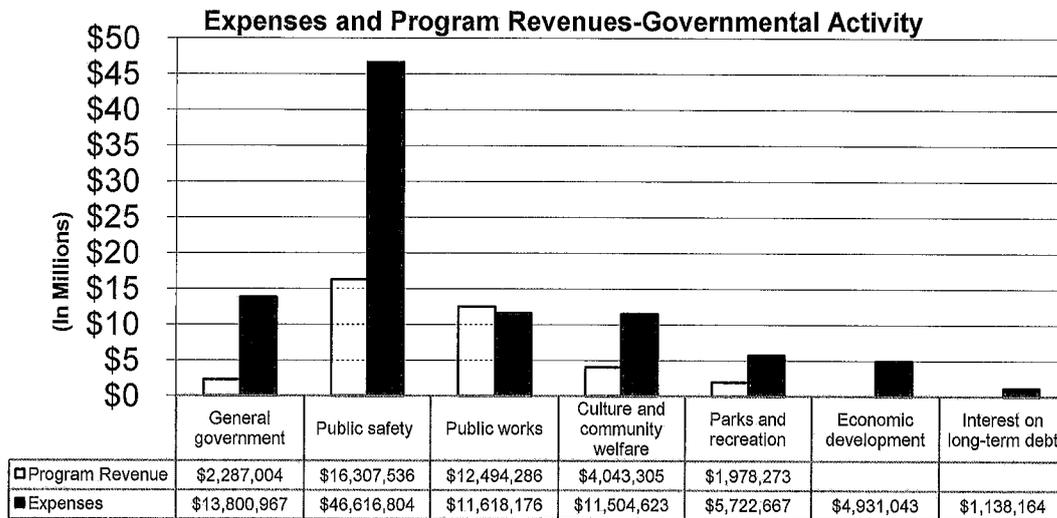
City of Pueblo						
Summarized Statement of Changes In Net Position						
	Governmental		Business-type		Totals	
	Activities		Activities		Primary Government	
	2013	2012	2013	2012	2013	2012
<b>Revenue:</b>						
Program revenues:						
Charges for services	\$ 8,061,344	\$ 8,886,566	\$ 24,235,575	\$ 23,517,312	\$ 32,296,919	\$ 32,403,878
Operating grants and contributions	22,104,201	13,616,953	2,050,457	2,220,825	24,154,658	15,837,778
Capital grants and contributions	6,944,859	9,128,467	20,762,845	4,811,702	27,707,704	13,940,169
General revenues:						
Property taxes	12,865,732	11,870,090			12,865,732	11,870,090
Special property taxes	39,309	38,785			39,309	38,785
Franchise and other taxes	6,557,472	6,651,168			6,557,472	6,651,168
Sales and use taxes	51,947,998	50,471,792			51,947,998	50,471,792
Payment in lieu of taxes	9,859	9,859			9,859	9,859
Investment earnings	(99,169)	526,792	626,139	795,501	526,970	1,322,293
Sale of assets						
Other	2,287,852	2,509,676	1,375	110,426	2,289,227	2,620,102
<b>Total revenues</b>	<b>110,719,457</b>	<b>103,710,148</b>	<b>47,676,391</b>	<b>31,455,766</b>	<b>158,395,848</b>	<b>135,165,914</b>
<b>Expenses:</b>						
General government	13,800,967	11,063,544			13,800,967	11,063,544
Public safety	46,616,804	47,846,439			46,616,804	47,846,439
Public works	11,618,176	11,944,466			11,618,176	11,944,466
Culture and community welfare	11,504,623	13,253,542			11,504,623	13,253,542
Parks and recreation	5,722,667	6,372,059			5,722,667	6,372,059
Economic development	4,931,043	3,380,770			4,931,043	3,380,770
Interest on long-term debt	1,138,164	1,264,491			1,138,164	1,264,491
Elmwood golf course			975,010	928,757	975,010	928,757
Walkingstick golf course			1,886,223	1,821,738	1,886,223	1,821,738
Sewer user			12,506,548	11,009,307	12,506,548	11,009,307
Stomwwater utility			2,896,741	3,125,968	2,896,741	3,125,968
Memorial airport			2,794,533	2,374,926	2,794,533	2,374,926
Honor Farm			171,027	894,480	171,027	894,480
Transportation Services			5,463,759	5,575,172	5,463,759	5,575,172
Parking Facilities			946,605	773,709	946,605	773,709
Memorial Hall			746,330		746,330	
Pueblo Transit			2,494,913	2,622,666	2,494,913	2,622,666
<b>Total expenses</b>	<b>95,332,444</b>	<b>95,125,311</b>	<b>30,881,689</b>	<b>29,126,723</b>	<b>126,214,133</b>	<b>124,252,034</b>
Increase in net position before transfers	15,387,013	8,584,837	16,794,702	2,329,043	32,181,715	10,913,880
Transfers	(3,018,863)	(2,948,662)	3,018,863	2,948,662	-	-
Increase in net position	12,368,150	5,636,175	19,813,565	5,277,705	32,181,715	10,913,880
Net position beginning of year	401,073,953	395,437,778	157,836,621	152,558,916	558,910,574	547,996,694
<b>Net positions end of year</b>	<b>\$ 413,442,103</b>	<b>\$ 401,073,953</b>	<b>\$ 177,650,186</b>	<b>\$ 157,836,621</b>	<b>\$ 591,092,289</b>	<b>\$ 558,910,574</b>

Governmental activities increased the City's net position by \$12.4 million, accounting for 38% of the City's \$32 million overall increase in net position. Key elements of the increase are as follows:

Property tax and sales and use taxes totaled 59% of all governmental activities' revenues. Property taxes increased \$1 million in 2013 and sales and use taxes increased \$1.5 million in 2013 due to modest growth in the 2013 economy.

Operating grants and contributions increased \$8.5 million in 2013 due to a \$11.3 million contribution made by the State to the City's Old Hire Fire and Pension Plan.

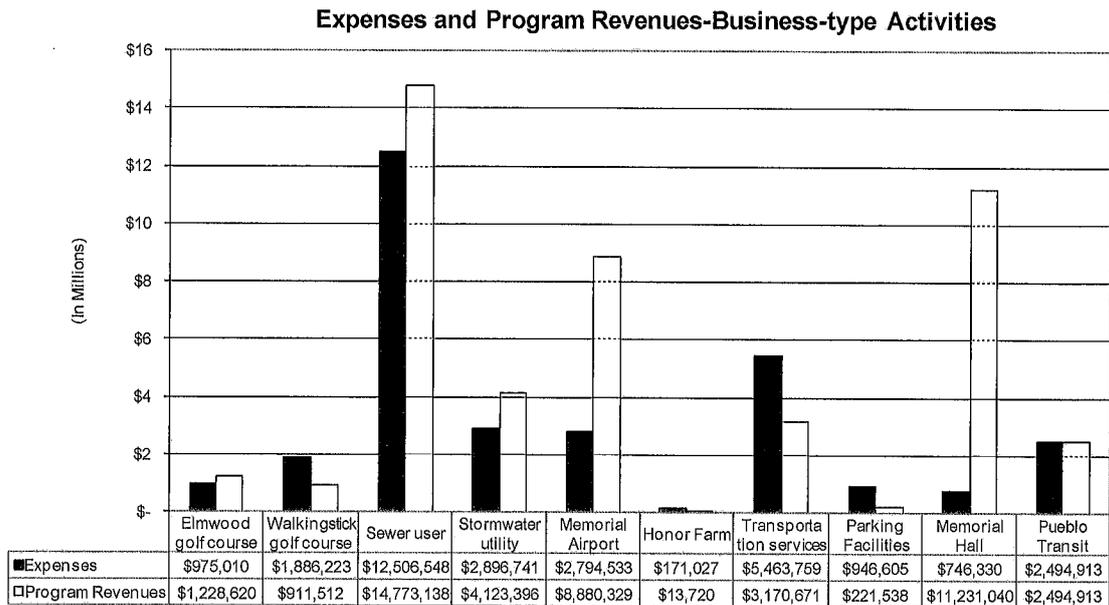
There was little change in total expenses, \$207 thousand increase, as the City imposed cost savings measures throughout the year.



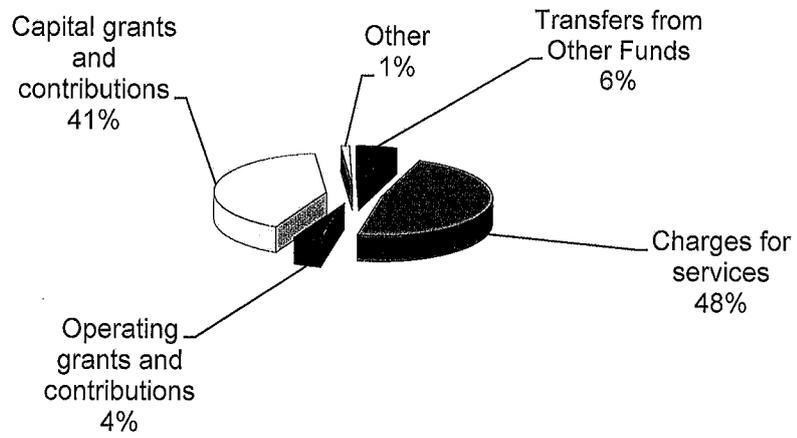
Business-type activities increased the City's net position by \$19.8 million, accounting for 62% of the City's \$32 million overall increase in net position. Key elements of the increase are as follows:

Total revenues were \$47.7 million an increase of \$16.2 million from 2012. Capital grants and contributions increased \$16 million which primarily accounted for the overall increase in 2013. Charges for services in the Sewer User fund increased \$550 thousand and \$461 thousand in the Stormwater Utility due to rate increases in both utilities. Memorial Airport's revenues decreased \$248 thousand from the prior year mainly due to the loss of fee revenue throughout the year.

Total business-type expenses totaled \$30.9 million in 2013, an increase of \$1.7 million over the prior year. Sewer User expenses increased \$1.5 million and Memorial Airport increased \$420 thousand. In 2013 the City added a new enterprise fund for the operation and maintenance of the newly restored Memorial Hall which accounted for \$746 thousand of the increase in total expenses.



## Revenue by Source - Business-type Activities



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## **GOVERNMENT FUNDS FINANCIAL ANALYSIS**

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

### **Governmental Funds**

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

At December 31, 2013, the total Governmental fund balances were \$107.2 million, a decrease of \$2.7 million from the prior year. Approximately 82% or \$88.4 million of the total fund balance is special revenue funds that are restricted for particular purposes which includes \$2.6 million for the TABOR emergency reserve. All of the \$68 million in the Economic Development Fund is restricted due to voter restraints. The City Council has committed \$7.7 million of fund balance as a minimum reserve for unanticipated emergencies. There was \$37 thousand of unassigned fund balance as of year- end. Additional information is contained in the notes to the financial statements, **Notes III-H and III-I.**

The General Fund is the City's chief operating fund of the City. As of December 31, 2013, the total fund balance was \$17.6 million. The committed fund balance was \$7.7 million and the assigned fund balance was \$5.5 million. There was \$37 thousand of unassigned fund balance as of December 31, 2013. The General Fund decreased by \$2 million in 2013 primarily due to a note receivable that was expensed when the time commitment was met.

Total General Fund revenues including transfers in, of \$4.3 million increased by \$12.6 million or 17%. The key factor in this increase was a \$11.3 million contribution by the State to the City's Old Hire Fire Pension Plan. Property Taxes increased \$996 thousand and Sales and Use Taxes increased by \$743 thousand. Fines and fees decreased \$242 thousand and investment income decreased \$88 thousand due to the lower interest rate environment and a decrease in the unrealized gains for the investment portfolio.

Total General Fund expenditures, including transfers out, increased by \$11.1 million or 14%. Similarly as in the revenue increase the key factor in this increase was the \$11 million expenditure for pension cost in the Old Hire Fire Pension Plan. Other than the \$2 million expenditure in Culture and Community, overall general fund expenditures decreased as the departments held down costs primarily through personnel vacancies.

The Economic Development Fund is a major fund of the City. As of December 31, 2013 the total fund balance was \$68.2 million and increased by \$900 thousand from 2012. Total revenues increased by \$487 thousand from 2012 and expenditures decreased by \$963 thousand from the prior year.

The HUD Grants Fund is another major fund of the City. As of December 31, 2013 the total fund balance was \$4.9 million and decreased by \$892 thousand from 2012.

The Public Improvements Fund is considered a major fund of the City. As of December 31, 2013 the total fund balance was \$2.3 million and decreased \$529 thousand from the prior year. This fund has large changes from year to year in fund balance as the revenue stream depends on intergovernmental grants received for capital projects. Expenditures decreased by \$3.1 million from 2012 primarily due to the completion of the restoration project for City Hall that accounted for large expenditures in 2012.

The Capital Improvement Fund is used to account for the acquisition of equipment through capital lease agreements as well as major construction projects that have multiple funding sources. The major capital project accounted for in this fund is a bridge replacement project. The fund balance increased \$1 million in 2013 and as of December 31, 2013 the fund balance was \$6.8 million. The proceeds from a \$1.9 million capital lease to purchase a new data processing system for the City accounted for a large portion of the fund balance increase.

### **Proprietary Funds**

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

The City added a new enterprise fund to account for the operation of the newly restored historic Memorial Hall. Memorial Hall re-opened its doors in July 2013. As of December 31, 2013, the total net position was \$10.5 million.

Other significant factors concerning the finances of the enterprise funds can be found in the discussion of the City's business-type activities.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

**Original budget compared to final budget.** The final budget appropriations were \$817 thousand higher than the original budget appropriations. The increase included additional budget to the City's fire department for \$287 thousand due to increased personnel overtime costs. The City's Non-Departmental budget increased \$341 thousand to cover an increase in the contract for operation of the City's animal shelter and various other small adjustments. The budget for transfers-out increased \$278 thousand for transfers to the Self Insurance fund,

grant matches for a FEMA grant and CDOT grant and an increase for transfer to the debt service fund for payment on a capital lease for laptop computers for the police department.

Original budgeted revenues were not increased in the General Fund. The additional appropriation was budgeted from fund balance reserves.

**Final budget compared to actual.** Total revenues were \$733 thousand less than estimated. Tax revenues were less than estimated due to a weak economy in the Pueblo area.

The variance between actual expenditures and the final budget amounted to \$2.1 million in unspent appropriations. The decreased expenditures were due in primarily to a large number of personnel vacancies across all departments. There were also significant spending reductions in all departments due to budget constraints and the economic challenges facing the City.

The City ended the 2013 year not having to use \$1.4 million of fund balance reserves for operations in the current fiscal year.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The City of Pueblo's investment in capital assets for its governmental and business-type activities at December 31, 2013, net of accumulated depreciation, totaled \$ 518.9 million, a net increase of \$ 22.6 million from 2012.

### **City of Pueblo Capital Assets**

	Governmental		Business-type		Totals	
	Activities		Activities		Primary Government	
	2013	2012	2013	2012	2013	2012
Land and nondepreciable assets	\$ 93,019,315	\$ 92,884,267	\$ 4,377,177	\$ 4,375,288	\$ 97,396,492	\$ 97,259,555
Land improvements	48,362,182	47,735,820	37,053,354	27,773,544	85,415,536	75,509,364
Infrastructure	172,946,804	165,443,974	95,660,831	92,001,603	268,607,635	257,445,577
Buildings	66,344,753	55,715,580	69,940,060	28,873,762	136,284,813	84,589,342
Machinery and equipment	38,604,757	35,783,433	17,726,905	17,362,850	56,331,662	53,146,283
Other Improvements			26,398,937	26,398,937	26,398,937	26,398,937
Construction in progress	5,635,641	17,962,364	11,265,798	43,457,925	16,901,439	61,420,289
Accumulated depreciation	(94,879,548)	(89,668,239)	(73,586,160)	(69,819,374)	(168,465,708)	(159,487,613)
Total	\$ 330,033,904	\$ 325,857,199	\$ 188,836,902	\$ 170,424,535	\$ 518,870,806	\$ 496,281,734

Major changes to capital assets during the 2013 fiscal year included the following:

#### **Governmental Activities:**

- Additions to street infrastructure - \$6.4 million
- Completion of a new fire station - \$8.2 million
- City Hall renovation - \$2 million

Purchase of Tyler ERP system - \$1.9 million

Construction in progress decreased \$15.1 million primarily due to the completion of the new fire station and City Hall renovation.

**Business-type Activities:**

Memorial Airport-completion of a new training runway - \$8.9 million

Addition to stormwater infrastructure - \$1.1million

Completion of the Wastewater plant ammonia removal project - \$31.1million

Re-opening of the renovated Memorial Hall - \$10.9 million

Construction in progress in the business-type activities decreased \$40.3 million mainly due to the completion of the wastewater ammonia removal project and the new training runway at the airport.

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

**Long-term debt.** At December 31, 2013, the City had total debt outstanding of \$70.1 million, a decrease of \$6.7 million over 2012.

**City of Pueblo  
Outstanding Debt**

	Governmental		Business-type		Totals	
	Activities		Activities		Primary Government	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$ 2,785,621	\$ 3,653,433	\$ -	\$ -	\$ 2,785,621	\$ 3,653,433
Compensated absences	7,896,178	8,064,666	1,084,407	1,137,320	8,980,585	9,201,986
Notes payable	-	-	28,412,296	29,301,395	28,412,296	29,301,395
Capital lease obligations	5,441,191	4,043,444	2,593,373	3,011,827	8,034,564	7,055,271
Accrued Interest payable	463,646	461,243	-	-	463,646	461,243
Certificates of participation	17,131,073	17,805,716	-	-	17,131,073	17,805,716
Claims and judgements	1,734,751	1,631,480	-	-	1,734,751	1,631,480
Net post employment benefit obligation	2,570,468	2,019,381	-	-	2,570,468	2,019,381
Net pension obligation	-	5,710,750	-	-	-	5,710,750
<b>Total</b>	<b>\$ 38,022,928</b>	<b>\$ 43,390,113</b>	<b>\$ 32,090,076</b>	<b>\$ 33,450,542</b>	<b>\$ 70,113,004</b>	<b>\$ 76,840,655</b>

General obligation bonds, notes payable and certificates of participation note balances decreased due to debt service payments throughout the year. Capital lease obligations increased for the purchase of laptop computers for the police vehicles, a street sweeper and the Tyler ERP system. The remainder of the outstanding long-term debt obligations are in the form of actuarial claims pending on self-insured claims, net pension benefit obligations and compensated absences.

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

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

**Fiscal year 2014 budget.** The 2014 budget was prepared again during a prolonged and difficult economic environment. The budget was prepared with the highest priority of protecting the City's core services and priorities and doing so in the most efficient and effective ways possible.

Sales and use tax revenue continues to be the principal source of income for the City's operating and capital budgets. The 2014 budget assumes a modest increase, 1% in sales and use tax over the budgeted amount for 2013. Estimated property tax revenue was increased by 2% from the actual 2013 revenues.

The 2014 appropriation for expenditures (excluding transfers-out) is \$1.9 million less than the 2013 revised budget. Measures were taken to keep expenditures in line with anticipated revenues.

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

## **REQUEST FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**

**CITY OF PUEBLO, COLORADO**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2013**

	Governmental Activities	Business-Type Activities
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,682,977	\$ 271,200
Restricted cash and cash equivalents	430,031	-
Investments	65,050,062	24,056,995
Restricted investments	24,822	-
Receivables	52,677,220	3,433,798
Internal balances	9,207,185	(9,207,185)
Due from other governmental agencies	1,584,976	3,741,602
Inventories	642,497	571,546
Other assets	6,529,325	16,466
Capital Assets -		
Land, improvements, intangibles and construction in progress	98,654,956	15,642,975
Other capital assets, net of depreciation	231,378,948	173,193,927
Total capital assets	330,033,904	188,836,902
<b>TOTAL ASSETS</b>	472,862,999	211,721,324
Deferred outflows of resources	44,895	-
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	6,921,706	1,823,050
Advances from others	470,099	158,012
Long-term liabilities -		
Due within one year	5,266,720	2,231,931
Due in more than one year	32,756,208	29,858,145
<b>TOTAL LIABILITIES</b>	45,414,733	34,071,138
Deferred inflows of resources	14,051,058	-
<b>NET POSITION</b>		
Net investment in capital assets	304,720,914	157,831,233
Restricted for -		
Tabor	2,600,000	-
Economic development	68,173,201	-
Debt service and district projects	-	-
Capital projects	8,025,627	-
Public safety	315,597	-
Public works	2,606,111	-
Parks and recreation	861,923	-
Culture and community welfare	5,802,839	-
Unrestricted	20,335,891	19,818,953
<b>TOTAL NET POSITION</b>	\$ 413,442,103	\$ 177,650,186

The accompanying notes are an integral part of this statement.

Total	Discretely-Presented Component Units		
	Pueblo Urban Renewal Authority	Pueblo Main Street Garage Corporation	Pueblo Municipal Rail Corporation
\$ 6,954,177	\$ 896,919	\$ 78	\$ -
430,031	1,087,104	-	-
89,107,057	-	-	-
24,822	2,226,232	-	-
56,111,018	12,459,425	-	-
-	-	-	-
5,326,578	-	-	-
1,214,043	20,352	-	-
6,545,791	35,500	-	-
114,297,931	1,668,520	-	529,620
404,572,875	7,839,303	9,978,949	2,447,240
518,870,806	9,507,823	9,978,949	2,976,860
684,584,323	26,233,355	9,979,027	2,976,800
44,895	949,127	-	-
8,744,756	1,154,841	2,611	-
628,111	-	-	-
7,498,651	1,080,574	-	-
62,614,353	26,120,426	6,862,000	2,109,699
79,485,871	28,355,841	6,864,611	2,109,699
14,051,058	4,365,051	-	-
462,552,147	4,302,937	3,116,949	867,161
2,600,000	-	-	-
68,173,201	480,992	-	-
-	3,675,679	-	-
8,025,627	-	-	-
315,597	-	-	-
2,606,111	-	-	-
861,923	-	-	-
5,802,839	-	-	-
40,154,844	(13,998,018)	(2,533)	-
<u>\$ 591,092,289</u>	<u>\$ (5,538,410)</u>	<u>\$ 3,114,416</u>	<u>\$ 867,161</u>

**CITY OF PUEBLO, COLORADO**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2013**

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental activities -				
General government	\$ 13,800,967	\$ 2,036,502	\$ -	\$ 250,502
Public safety	46,616,804	4,436,306	11,867,470	3,760
Public works	11,618,176	539,532	5,465,612	6,489,142
Culture and community welfare	11,504,623	414,365	3,608,674	20,266
Parks and recreation	5,722,667	634,639	1,162,445	181,189
Economic development	4,931,043	-	-	-
Interest on long-term debt	1,138,164	-	-	-
Total governmental activities	<u>95,332,444</u>	<u>8,061,344</u>	<u>22,104,201</u>	<u>6,944,859</u>
Business-type activities				
Elmwood golf course	975,010	1,228,620	-	-
Walkingstick golf course	1,886,223	911,512	-	-
Sewer user	12,506,548	14,355,943	-	417,195
Stormwater utility	2,896,741	3,253,081	-	870,315
Memorial airport	2,794,533	601,048	-	8,279,281
Honor farm	171,027	13,720	-	-
Transportation services	5,463,759	848,700	2,041,197	280,774
Parking facilities	946,605	221,538	-	-
Memorial Hall	746,330	306,500	9,260	10,915,280
Pueblo Transit	2,494,913	2,494,913	-	-
Total business-type activities	<u>30,881,689</u>	<u>24,235,575</u>	<u>2,050,457</u>	<u>20,762,845</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 126,214,133</u>	<u>\$ 32,296,919</u>	<u>\$ 24,154,658</u>	<u>\$ 27,707,704</u>
<b>COMPONENT UNITS</b>				
Pueblo Urban Renewal Authority	\$ 15,848,224	\$ 1,841,210	\$ 434,997	\$ 207,302
Pueblo Main Street Garage Corporation	489,737	184,288	-	2,788,000
Pueblo Municipal Rail Corporation	24,720	-	-	362,261
<b>TOTAL COMPONENT UNITS</b>	<u>\$ 16,362,681</u>	<u>\$ 2,025,498</u>	<u>\$ 434,997</u>	<u>\$ 3,357,563</u>

General revenues -

Taxes -

Property taxes, levied for general purposes

Property taxes, levied for specific purposes

Franchise and other taxes

Sales and use taxes

Payment in lieu of taxes

Unrestricted investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position, January 1

Net position, December 31

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position  
Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Pueblo Urban Renewal Authority</u>	<u>Pueblo Main Street Garage Corporation</u>	<u>Pueblo Municipal Rail Corporation</u>
\$ (11,513,963)	\$ -	\$ (11,513,963)			
(30,309,268)	-	(30,309,268)			
876,110	-	876,110			
(7,461,318)	-	(7,461,318)			
(3,744,394)	-	(3,744,394)			
(4,931,043)	-	(4,931,043)			
(1,138,164)	-	(1,138,164)			
<u>(58,222,040)</u>	<u>-</u>	<u>(58,222,040)</u>			
-	253,610	253,610			
-	(974,711)	(974,711)			
-	2,266,590	2,266,590			
-	1,226,655	1,226,655			
-	6,085,796	6,085,796			
-	(157,307)	(157,307)			
-	(2,293,088)	(2,293,088)			
-	(725,067)	(725,067)			
-	10,484,710	10,484,710			
-	-	-			
-	<u>16,167,188</u>	<u>16,167,188</u>			
<u>(58,222,040)</u>	<u>16,167,188</u>	<u>(42,054,852)</u>			
			\$ (13,364,715)	\$ -	\$ -
			-	2,482,551	-
			-	-	337,541
			<u>(13,364,715)</u>	<u>2,482,551</u>	<u>337,541</u>
12,865,732	-	12,865,732	150,401	-	-
39,309	-	39,309	5,327,518	-	-
6,557,472	-	6,557,472	-	-	-
51,947,998	-	51,947,998	2,109,085	-	-
9,859	-	9,859	-	-	-
(99,169)	626,139	526,970	74,969	-	-
2,287,852	1,375	2,289,227	1,502	-	-
(3,018,863)	3,018,863	-	-	-	-
<u>70,590,190</u>	<u>3,646,377</u>	<u>74,236,567</u>	<u>7,663,475</u>	<u>-</u>	<u>-</u>
12,368,150	19,813,565	32,181,715	(5,701,240)	2,482,551	337,541
401,073,953	157,836,621	558,910,574	162,830	631,865	529,620
<u>\$ 413,442,103</u>	<u>\$ 177,650,186</u>	<u>\$ 591,092,289</u>	<u>\$ (5,538,410)</u>	<u>\$ 3,114,416</u>	<u>\$ 867,161</u>

**CITY OF PUEBLO, COLORADO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2013**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 6,599,349
Restricted cash and cash equivalents	-
Investments	6,544,164
Restricted investments	-
Taxes receivable, net	18,530,907
Due from other funds	6,235,311
Receivable from other governments	-
Notes and loans receivable, net	681,578
Advance to other funds	1,544,645
Other receivables	2,604,779
Inventories	35,732
Prepaid items	<u>259,561</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 43,036,026</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	
Liabilities -	
Accounts payable	\$ 4,324,562
Due to other funds	4,414,764
Advances from others	<u>229,974</u>
Total Liabilities	<u>8,969,300</u>
Deferred inflows of resources	<u>16,505,543</u>
Fund balances -	
Nonspendable	1,739,939
Restricted	2,600,000
Committed	7,689,824
Assigned	5,494,282
Unassigned	<u>37,138</u>
Total Fund Balances	<u>17,561,183</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 43,036,026</u></b>

The accompanying notes are an integral part of this statement.

Major Special Revenue Funds			Major Capital Projects Fund		
Economic Development 1/2 Cent Tax	HUD Grants	Public Improvements	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 83,328	\$ -	\$ -	\$ 6,682,677
240,125	-	-	175,955	-	416,080
44,165,000	-	-	5,996,010	6,020,388	62,725,562
-	-	-	-	24,822	24,822
754,035	-	-	-	36,457	19,321,399
-	716,706	2,460,252	-	1,215,985	10,628,254
-	414,386	749,276	24,402	396,912	1,584,976
24,832,177	4,149,862	-	-	-	29,663,617
-	-	-	747,000	-	2,291,645
73,164	471,857	-	9,582	508,957	3,668,339
-	84,440	-	-	231,608	351,780
-	-	-	-	-	259,561
<u>\$ 70,064,501</u>	<u>\$ 5,837,251</u>	<u>\$ 3,292,856</u>	<u>\$ 6,952,949</u>	<u>\$ 8,435,129</u>	<u>\$ 137,618,712</u>
\$ 1,336,655	\$ 67,517	\$ 378,608	\$ 106,976	\$ 598,446	\$ 6,812,764
314,520	-	-	16,809	258,770	5,004,863
240,125	-	-	-	-	470,099
<u>1,891,300</u>	<u>67,517</u>	<u>378,608</u>	<u>123,785</u>	<u>857,216</u>	<u>12,287,726</u>
-	819,585	596,981	20,132	236,524	18,178,765
-	-	-	-	-	1,739,939
68,173,201	4,950,149	2,317,267	3,117,089	7,227,592	88,385,298
-	-	-	104,831	-	7,794,655
-	-	-	3,587,112	113,797	9,195,191
-	-	-	-	-	37,138
<u>68,173,201</u>	<u>4,950,149</u>	<u>2,317,267</u>	<u>6,809,032</u>	<u>7,341,389</u>	<u>107,152,221</u>
<u>\$ 70,064,501</u>	<u>\$ 5,837,251</u>	<u>\$ 3,292,856</u>	<u>\$ 6,952,949</u>	<u>\$ 8,435,129</u>	<u>\$ 137,618,712</u>

**CITY OF PUEBLO, COLORADO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2013**

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

Total fund balances - governmental funds	\$ 107,152,221
--	----------------

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

The cost of capital assets is	\$ 422,457,270	
Accumulated depreciation is	<u>(93,249,257)</u>	329,208,013

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

Net position of governmental internal service fund	2,030,196	
Portion of cumulative internal service fund net operating loss attributed to business-type activities	<u>1,270,327</u>	3,300,523

The net pension asset of the old-hire police plan is not a financial resource and therefore is not reported as an asset in the governmental funds. The net pension asset of the old-hire police plan is reported with other assets in the statement of net position

1,601,369

The net pension asset of the old-hire fire plan is not a financial resource and therefore is not reported as an asset in the governmental funds. The net pension asset of the old-hire fire plan is reported with other assets in the statement of net position

3,993,218

Debt insurance costs are not available to pay current period expenditures and therefore are not reported as assets in the governmental funds but are reported in the statement of net position, net of amortization

173,274

The accompanying notes are an integral part of this statement.

**CITY OF PUEBLO, COLORADO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION (Cont'd.)**  
**DECEMBER 31, 2013**

Deferred outflows of resources are not available to pay current period expenditures and therefore are not reported in the governmental funds but are reported in the statement of net position, net of amortization		44,895
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds payable	(2,750,000)	
Unamortized premium on refunding bonds, net	(35,621)	
Certificates of participation	(17,230,000)	
Unamortized discount on certificates of participation, net	98,927	
Capital leases	(5,441,191)	
Net post-employment benefit obligation	(2,570,468)	
Accrued interest	(463,646)	
Compensated absences	(7,767,118)	(36,159,117)
Certain revenue was earned and accrued in the statement of net position but has been deferred in the governmental funds balance sheet.		
Notes receivable issued upon sale of assets	650,000	
Receivables for demolition assessments	471,158	
Other receivables	2,777,003	
Deferred inflows of resources	229,546	4,127,707
Total net position - governmental activities		\$ 413,442,103

The accompanying notes are an integral part of this statement.

**CITY OF PUEBLO, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	<u>General Fund</u>
<b>REVENUES</b>	
Property taxes	\$ 12,865,732
Sales and miscellaneous taxes	48,826,416
Payment in lieu of taxes	9,859
Fees and fines	1,849,081
Licenses and permits	603,249
Intergovernmental	13,468,074
Charges for services	3,745,124
Investment earnings	(30,814)
Miscellaneous	265,860
<b>TOTAL REVENUES</b>	<u>81,602,581</u>
<b>EXPENDITURES</b>	
Current -	
General government	9,157,208
Public safety	53,058,602
Public works	7,567,809
Parks and recreation	4,668,999
Economic development	-
Culture and community welfare	6,454,833
Other	402,110
Debt service -	
Principal	-
Interest and other charges	-
Capital outlay	13,232
<b>TOTAL EXPENDITURES</b>	<u>81,322,793</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>279,788</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Issuance of capital lease	-
Sales of capital assets	214,877
Transfers in	4,310,961
Transfers out	(6,855,505)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,329,667)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(2,049,879)
<b>FUND BALANCES, January 1</b>	<u>19,611,062</u>
<b>FUND BALANCES, December 31</b>	<u>\$ 17,561,183</u>

The accompanying notes are an integral part of this statement.

Major Special Revenue Funds			Projects Fund		
Economic Development 1/2 Cent Tax	HUD Grants	Public Improvements	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 36,600	\$ 12,902,332
7,021,430	-	-	-	1,680,009	57,527,855
-	-	-	-	-	9,859
-	-	-	-	-	1,849,081
-	-	-	-	-	603,249
-	1,216,004	1,997,873	83,171	6,423,241	23,188,363
165,750	-	-	-	1,187,624	5,098,498
(52,236)	-	24	(7,003)	(5,451)	(95,480)
58,622	217,051	174,748	-	787,328	1,503,609
<u>7,193,566</u>	<u>1,433,055</u>	<u>2,172,645</u>	<u>76,168</u>	<u>10,109,351</u>	<u>102,587,366</u>
-	-	-	167,469	-	9,324,677
-	-	242,721	9,195	113,398	53,423,916
-	-	324,648	16,135	1,389,434	9,298,026
-	-	-	345	121,620	4,790,964
4,698,157	-	-	-	-	4,698,157
-	1,561,180	211,392	-	2,890,553	11,117,958
-	-	-	-	-	402,110
-	-	-	-	2,536,229	2,536,229
-	-	-	-	1,204,852	1,204,852
1,884,806	570,893	2,261,782	2,849,920	841,772	8,422,405
<u>6,582,963</u>	<u>2,132,073</u>	<u>3,040,543</u>	<u>3,043,064</u>	<u>9,097,858</u>	<u>105,219,294</u>
<u>610,603</u>	<u>(699,018)</u>	<u>(867,898)</u>	<u>(2,966,896)</u>	<u>1,011,493</u>	<u>(2,631,928)</u>
-	-	-	2,367,868	-	2,367,868
697,656	-	-	-	-	912,533
-	-	339,221	1,723,734	3,893,200	10,267,116
(373,097)	(192,487)	-	(94,801)	(6,089,779)	(13,605,669)
<u>324,559</u>	<u>(192,487)</u>	<u>339,221</u>	<u>3,996,801</u>	<u>(2,196,579)</u>	<u>(58,152)</u>
935,162	(891,505)	(528,677)	1,029,905	(1,185,086)	(2,690,080)
<u>67,238,039</u>	<u>5,841,654</u>	<u>2,845,944</u>	<u>5,779,127</u>	<u>8,526,475</u>	<u>109,842,301</u>
<u>\$ 68,173,201</u>	<u>\$ 4,950,149</u>	<u>\$ 2,317,267</u>	<u>\$ 6,809,032</u>	<u>\$ 7,341,389</u>	<u>\$ 107,152,221</u>

**CITY OF PUEBLO, COLORADO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2013**

Amounts reported for governmental activities are different because:

Total net change in fund balances - governmental funds	\$ (2,690,080)
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Capital outlays are reported in governmental funds as expenditures. However, for governmental activities these costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense.

Capital outlay	\$ 8,422,405	
Depreciation expense	<u>(6,218,185)</u>	2,204,220

In the statement of activities, contributions of capital assets are reported as program revenues. However, these contributions do not represent current financial resources and thus are not reported in the funds	6,941,099
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In the statement of activities, the disposition of capital assets generates a gain or loss and is reported as such. The gain or loss on disposition is not a current financial resource or use and thus is not reported in the funds.	(4,927,086)
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In the statement of activities, certain operating expenses such as compensated absences (vacation and sick leave) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amounts actually paid. This year compensated absences paid \$4,409,355 exceeded amounts earned \$4,232,435	176,920
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The governmental funds report the proceeds from the issuance of debt obligations as an other financing source and the repayments of principal on bonds and other obligations as an expenditure. Interest expense is recognized as an expenditure in the governmental funds when it is due, while interest expense is recognized when incurred in the statement of activities. In addition, interest expense reported in the statement of activities includes amortization of deferred outflows of resources applicable to insurance issue costs, and premium and discount on bonds. The net effect of these differences in the treatment of bonds and other liabilities follows:

Cont'd.

The accompanying notes are an integral part of this statement.

**CITY OF PUEBLO, COLORADO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES (Cont'd.)**  
**YEAR ENDED DECEMBER 31, 2013**

Issuance of capital leases	(2,367,868)	
Principal payments on bonds and other obligations	2,536,229	
Interest expense on bonds and other obligations	(2,403)	
Amortization of insurance issue costs	(19,566)	
Amortization of deferred outflows of resources	(22,447)	
Amortization of premium on bonds	17,812	
Amortization of discount on certificates of participation	(10,357)	131,400
The change in the net pension asset/obligation is not recognized in the governmental funds		9,653,462
The change in the net post-employment benefit obligation is not recognized in the governmental funds		(551,087)
Certain revenue was earned and accrued in the statement of activities but deferred in the governmental funds		1,296,438
An internal service fund is used by the City to charge the cost of risk management activities to individual departments, to charge the cost of fleet maintenance to individual departments and to charge the cost of the city-wide telephone system to individual departments. The net revenue (expense) of the internal service fund is reported with governmental activities.		
Net operating loss from internal service fund	(274,015)	
Interest and other revenue from internal service fund	10,739	
Transfer to internal service fund	319,690	
Net operating loss attributed to business-type activities	76,450	132,864
Change in net position - governmental activities		\$ 12,368,150

The accompanying notes are an integral part of this statement.

**CITY OF PUEBLO, COLORADO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2013**

	Business-Type Activities Enterprise Funds	
	Elmwood Golf Course	Walkingstick Golf Course
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 100	\$ 100
Restricted cash and cash equivalents	-	-
Investments	-	-
Accounts receivable, net	36,669	19,800
Due from other funds	-	-
Receivables from other governments	-	-
Other receivables	-	-
Prepaid expenses	-	-
Inventories	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>36,769</b>	<b>19,900</b>
<b>NONCURRENT ASSETS</b>		
Capital assets -		
Land	5,878	50,208
Land improvements	2,097,112	2,535,108
Infrastructure	-	-
Other improvements	548,852	3,623,964
Buildings	314,295	1,129,270
Machinery and equipment	1,141,532	743,208
Less accumulated depreciation	(2,359,475)	(2,669,477)
Intangibles	-	-
Construction in progress	-	-
<b>TOTAL CAPITAL ASSETS</b>	<b>1,748,194</b>	<b>5,412,281</b>
Other assets		
Advance to other fund	11,787,403	-
<b>TOTAL OTHER ASSETS</b>	<b>11,787,403</b>	<b>-</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>13,535,597</b>	<b>5,412,281</b>
<b>TOTAL ASSETS</b>	<b>\$ 13,572,366</b>	<b>\$ 5,432,181</b>

The accompanying notes are an integral part of this statement.

Business-Type Activities Enterprise Funds					Governmental Activities
Sewer User	Stormwater Utility	Memorial Airport	Other Enterprise Funds	Total	Internal Service Fund
\$ 675	\$ 100	\$ 400	\$ 269,825	\$ 271,200	\$ 300
-	-	-	-	-	13,951
21,926,000	1,574,500	56,495	500,000	24,056,995	2,324,500
2,441,743	562,311	197,126	137,705	3,395,354	20,150
-	-	-	-	-	21,822
-	-	3,222,000	519,602	3,741,602	-
35,039	2,516	90	799	38,444	3,715
-	-	-	16,466	16,466	501,903
301,369	-	-	270,177	571,546	290,717
<u>24,704,826</u>	<u>2,139,427</u>	<u>3,476,111</u>	<u>1,714,574</u>	<u>32,091,607</u>	<u>3,177,058</u>
185,461	612,248	56,889	3,453,085	4,363,769	-
27,690	8,646,234	21,557,107	2,190,103	37,053,354	-
52,600,882	42,340,278	719,671	-	95,660,831	-
-	-	22,016,104	210,017	26,398,937	-
41,387,124	-	9,585,297	17,524,074	69,940,060	1,036,366
4,707,969	1,932,649	2,015,461	7,186,086	17,726,905	1,419,816
(19,108,588)	(12,195,447)	(29,217,038)	(8,036,135)	(73,586,160)	(1,630,291)
2,484	9,446	-	1,478	13,408	-
64	770,702	10,495,032	-	11,265,798	-
<u>79,803,086</u>	<u>42,116,110</u>	<u>37,228,523</u>	<u>22,528,708</u>	<u>188,836,902</u>	<u>825,891</u>
-	-	-	-	11,787,403	-
-	-	-	-	11,787,403	-
<u>79,803,086</u>	<u>42,116,110</u>	<u>37,228,523</u>	<u>22,528,708</u>	<u>200,624,305</u>	<u>825,891</u>
\$ 104,507,912	\$ 44,255,537	\$ 40,704,634	\$ 24,243,282	\$ 232,715,912	\$ 4,002,949

Cont'd.

**CITY OF PUEBLO, COLORADO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2013**

LIABILITIES	Business-Type Activities Enterprise Funds	
	Elmwood Golf Course	Walking Stick Golf Course
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 9,029	\$ 6,290
Accrued expenses	-	-
Accrued interest payable	4,609	71,834
Due to other funds	731,483	677,997
Advances from others	18,020	34,400
Compensated absences	-	-
Capital lease obligation	95,576	208,620
Claims and judgments	-	-
Notes payable	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>858,717</b>	<b>999,141</b>
<b>NONCURRENT LIABILITIES</b>		
Compensated absences	-	-
Capital lease obligations	295,827	1,643,651
Notes payable (net of unamortized premiums)	-	-
Claims and judgments	-	-
Advance from other funds	-	12,941,238
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>295,827</b>	<b>14,584,889</b>
<b>TOTAL LIABILITIES</b>	<b>1,154,544</b>	<b>15,584,030</b>
<b>NET POSITION</b>		
Net investment in capital assets	1,356,791	3,560,010
Unrestricted	11,061,031	(13,711,859)
<b>TOTAL NET POSITION</b>	<b>\$ 12,417,822</b>	<b>\$ (10,151,849)</b>

Cumulative portion of internal service fund net operating loss  
attributed to business-type activities

Net position of business-type activities

The accompanying notes are an integral part of this statement.

Business-Type Activities Enterprise Funds					Governmental Activities
Sewer User	Stormwater Utility	Memorial Airport	Other Enterprise Funds	Total	Internal Service Fund
\$ 318,293	\$ 362,463	\$ 343,434	\$ 273,835	\$ 1,313,344	\$ 108,942
6,948	-	-	122,533	129,481	-
296,717	4,749	-	2,316	380,225	-
155,388	11,046	2,033,833	2,035,466	5,645,213	-
-	-	-	105,592	158,012	-
53,093	8,742	13,038	33,568	108,441	12,906
-	40,387	-	33,487	378,070	-
-	-	-	-	-	1,270,000
1,480,900	264,520	-	-	1,745,420	-
<u>2,311,339</u>	<u>691,907</u>	<u>2,390,305</u>	<u>2,606,797</u>	<u>9,858,206</u>	<u>1,391,848</u>
477,838	78,675	117,338	302,115	975,966	116,154
-	171,626	-	104,199	2,215,303	-
26,290,437	376,439	-	-	26,666,876	-
-	-	-	-	-	464,751
-	390,810	-	747,000	14,079,048	-
<u>26,768,275</u>	<u>1,017,550</u>	<u>117,338</u>	<u>1,153,314</u>	<u>43,937,193</u>	<u>580,905</u>
<u>29,079,614</u>	<u>1,709,457</u>	<u>2,507,643</u>	<u>3,760,111</u>	<u>53,795,399</u>	<u>1,972,753</u>
52,031,749	41,263,138	37,228,523	22,391,022	157,831,233	825,891
<u>23,396,549</u>	<u>1,282,942</u>	<u>968,468</u>	<u>(1,907,851)</u>	<u>21,089,280</u>	<u>1,204,305</u>
<u>\$ 75,428,298</u>	<u>\$ 42,546,080</u>	<u>\$ 38,196,991</u>	<u>\$ 20,483,171</u>		<u>\$ 2,030,196</u>
				(1,270,327)	
				<u>\$ 177,650,186</u>	

**CITY OF PUEBLO, COLORADO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	Business-Type Activities Enterprise Funds	
	Elmwood Golf Course	Walkingstick Golf Course
<b>OPERATING REVENUES</b>		
Charges for services	\$ 1,228,620	\$ 911,512
<b>TOTAL OPERATING REVENUES</b>	<b>1,228,620</b>	<b>911,512</b>
<b>OPERATING EXPENSES</b>		
Personnel services	30,362	39,141
Contractual services	434,805	368,628
Utilities	135,508	283,922
Repairs and maintenance	64,362	63,037
Other supplies and expenses	80,202	67,805
Insurance claims and expenses	-	-
Depreciation	200,891	251,064
<b>TOTAL OPERATING EXPENSES</b>	<b>946,130</b>	<b>1,073,597</b>
<b>OPERATING INCOME (LOSS)</b>	<b>282,490</b>	<b>(162,085)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest and investment revenue	655,889	-
Operating grants and contributions	-	-
Interest expense	(6,561)	(791,858)
Gain (loss) on disposal of capital assets	(22,319)	(20,768)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>627,009</b>	<b>(812,626)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>909,499</b>	<b>(974,711)</b>
Capital contributions	-	-
Transfers in	-	-
Transfers out	-	-
<b>CHANGES IN NET POSITION</b>	<b>909,499</b>	<b>(974,711)</b>
<b>TOTAL NET POSITION, January 1</b>	<b>11,508,323</b>	<b>(9,177,138)</b>
<b>TOTAL NET POSITION, December 31</b>	<b>\$ 12,417,822</b>	<b>\$ (10,151,849)</b>
Operating loss from internal service fund attributed to business-type activities		
<b>CHANGE IN NET POSITION</b>		

The accompanying notes are an integral part of this statement.

Business-Type Activities Enterprise Funds					Governmental Activities
Sewer User	Stormwater Utility	Memorial Airport	Other Enterprise Funds	Total	Internal Service Fund
\$ 14,355,943	\$ 3,253,081	\$ 601,048	\$ 1,390,458	\$ 21,740,662	\$ 7,102,729
<u>14,355,943</u>	<u>3,253,081</u>	<u>601,048</u>	<u>1,390,458</u>	<u>21,740,662</u>	<u>7,102,729</u>
3,959,723	1,213,139	760,351	108,237	6,110,953	765,249
1,372,638	681,619	221,847	4,109,509	7,189,046	2,489,562
858,968	92,649	345,937	662,268	2,379,252	34,262
3,232,007	146,355	53,244	350,227	3,909,232	52,136
851,845	67,011	135,219	829,289	2,031,371	1,843,348
-	-	-	-	-	2,107,015
1,566,103	681,248	1,273,599	1,177,313	5,150,218	85,172
<u>11,841,284</u>	<u>2,882,021</u>	<u>2,790,197</u>	<u>7,236,843</u>	<u>26,770,072</u>	<u>7,376,744</u>
<u>2,514,659</u>	<u>371,060</u>	<u>(2,189,149)</u>	<u>(5,846,385)</u>	<u>(5,029,410)</u>	<u>(274,015)</u>
					-
(27,710)	(2,236)	(54)	250	626,139	(3,680)
-	-	-	2,050,457	2,050,457	-
(651,641)	(5,681)	-	(3,283)	(1,459,024)	-
-	(271)	504	(37,001)	(79,855)	1,883
<u>29,079,614</u>	<u>(8,188)</u>	<u>450</u>	<u>2,010,423</u>	<u>1,137,717</u>	<u>(1,797)</u>
1,835,308	362,872	(2,188,699)	(3,835,962)	(3,891,693)	(275,812)
417,195	870,315	8,279,281	11,196,054	20,762,845	12,536
-	-	851,130	2,291,733	3,142,863	319,690
(100,000)	(24,000)	-	-	(124,000)	-
<u>2,152,503</u>	<u>1,209,187</u>	<u>6,941,712</u>	<u>9,651,825</u>	<u>19,890,015</u>	<u>56,414</u>
<u>73,275,795</u>	<u>41,336,893</u>	<u>31,255,279</u>	<u>10,831,346</u>		<u>1,973,782</u>
\$ <u>75,428,298</u>	\$ <u>42,546,080</u>	\$ <u>38,196,991</u>	\$ <u>20,483,171</u>		\$ <u>2,030,196</u>
				(76,450)	
				<u>\$ 19,813,565</u>	

**CITY OF PUEBLO, COLORADO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2013**

	Business-Type Activities Enterprise Funds	
	Elmwood Golf Course	Walking Stick Golf Course
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 1,207,673	\$ 900,242
Cash paid for goods and services	(722,089)	(782,836)
Cash paid to employees	(30,362)	(39,141)
Receipts for interfund services	-	10,332
Payments for interfund services	(117,289)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	337,933	88,597
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in	-	-
Transfers out	-	-
Advance to other fund	(200,031)	-
Advance from other fund	-	200,031
Payment made on fund advance	-	-
Operating grants received	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(200,031)	200,031
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Sale of capital assets	-	-
Acquisition of capital assets	(527,291)	(466,064)
Interest paid on notes payable and other debt	(2,014)	(81,823)
Principal paid on notes payable and other debt	(99,708)	(206,961)
Capital contributions received	-	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(629,013)	(754,848)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest earnings received	-	-
Maturity of investments	491,111	466,220
Acquisition of investments	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	491,111	466,220
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	-	-
<b>CASH AND CASH EQUIVALENTS, January 1</b>	100	100
<b>CASH AND CASH EQUIVALENTS, December 31</b>	\$ 100	\$ 100

The accompanying notes are an integral part of this statement.

Business-Type Activities Enterprise Funds					Governmental Activities
Sewer User	Stormwater Utility	Memorial Airport	Other Enterprise Funds	Total	Internal Service Fund
\$ 14,189,434	\$ 3,139,352	\$ 662,525	\$ 1,446,154	\$ 21,545,380	\$ 7,173,041
(7,285,540)	(1,145,536)	(698,456)	(5,987,071)	(16,621,528)	(4,216,867)
(3,942,340)	(1,239,588)	(748,702)	(108,237)	(6,108,370)	(3,211,730)
187,212	12,782	2,945,099	649,547	3,804,972	-
-	-	-	-	(117,289)	(178,575)
<u>3,148,766</u>	<u>767,010</u>	<u>2,160,466</u>	<u>(3,999,607)</u>	<u>2,503,165</u>	<u>(434,131)</u>
-	-	851,130	2,291,733	3,142,863	319,690
(100,000)	(24,000)	-	-	(124,000)	-
-	-	-	-	(200,031)	-
-	-	-	-	200,031	-
-	(100,000)	-	-	(100,000)	-
-	-	-	2,070,424	2,070,424	-
<u>(100,000)</u>	<u>(124,000)</u>	<u>851,130</u>	<u>4,362,157</u>	<u>4,989,287</u>	<u>319,690</u>
-	-	504	36,143	36,647	1,883
29,079,614	(61,983)	(8,545,190)	(294,186)	(10,641,684)	-
(743,771)	(6,544)	-	(72,357)	(906,509)	-
(1,459,821)	(183,418)	-	(2,901)	(1,952,809)	-
-	-	5,533,230	235,347	5,768,577	-
<u>(2,950,562)</u>	<u>(251,945)</u>	<u>(3,011,456)</u>	<u>(97,954)</u>	<u>(7,695,778)</u>	<u>1,883</u>
139,411	9,193	382	4,115	153,101	14,435
21,852,122	1,186,000	56,395	504,000	24,555,848	2,424,500
(22,089,737)	(1,586,258)	(56,917)	(503,734)	(24,236,646)	(2,341,859)
<u>(98,204)</u>	<u>(391,065)</u>	<u>(140)</u>	<u>4,381</u>	<u>472,303</u>	<u>97,076</u>
-	-	-	268,977	268,977	(15,482)
<u>675</u>	<u>100</u>	<u>400</u>	<u>848</u>	<u>2,223</u>	<u>29,733</u>
<u>\$ 675</u>	<u>\$ 100</u>	<u>\$ 400</u>	<u>\$ 269,825</u>	<u>\$ 271,200</u>	<u>\$ 14,251</u>

Cont'd.

**CITY OF PUEBLO, COLORADO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2013**

	Business-Type Activities Enterprise Funds	
	Elmwood Golf Course	Walking Stick Golf Course
Reported in the accompanying statement of net assets as follows:		
Cash and cash equivalents	\$ 100	\$ 100
Restricted cash and cash equivalents	-	-
	\$ 100	\$ 100
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 282,490	\$ (162,085)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities -		
Depreciation	200,891	251,064
Change in assets and liabilities -		
Accounts receivable	(23,481)	(14,794)
Due from other funds	-	-
Prepaid expenses	-	-
Inventories	-	-
Accounts payable	(7,212)	556
Due to other funds	(117,289)	10,332
Advances from others	2,534	3,524
Accrued expenses	-	-
	\$ 337,933	\$ 88,597
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>		
Interest accrued on fund advances	\$ 655,889	\$ (710,834)
Contributions of capital assets	\$ -	\$ -
Unrealized loss on investments	\$ -	\$ -
Acquisition of capital assets by issuance of debt	\$ -	\$ -

The accompanying notes are an integral part of this statement.

Business-Type Activities Enterprise Funds					Governmental Activities
Sewer User	Stormwater Utility	Memorial Airport	Other Enterprise Funds	Total	Internal Service Fund
\$ 675	\$ 100	\$ 400	\$ 269,825	\$ 271,200	\$ 300
-	-	-	-	-	13,951
<u>\$ 675</u>	<u>\$ 100</u>	<u>\$ 400</u>	<u>\$ 269,825</u>	<u>\$ 271,200</u>	<u>\$ 14,251</u>
\$ 2,514,659	\$ 371,060	\$ (2,189,149)	\$ (5,846,385)	\$ (5,029,410)	\$ (274,015)
1,566,103	681,248	1,273,599	1,177,313	5,150,218	85,172
(166,509)	(113,729)	61,477	(35,246)	(292,282)	70,312
31,824	1,736	911,266	802	945,628	(21,822)
-	-	-	(3,860)	(3,860)	(267,941)
9,671	-	-	41,511	51,182	(37,360)
(979,753)	(157,902)	57,791	(29,257)	(1,115,777)	56,573
155,388	11,046	2,033,833	648,745	2,742,055	(156,753)
-	-	-	90,942	97,000	-
<u>17,383</u>	<u>(26,449)</u>	<u>11,649</u>	<u>(44,172)</u>	<u>(41,589)</u>	<u>111,703</u>
<u>\$ 3,148,766</u>	<u>\$ 767,010</u>	<u>\$ 2,160,466</u>	<u>\$ (3,999,607)</u>	<u>\$ 2,503,165</u>	<u>\$ (434,131)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (54,945)</u>	<u>\$ -</u>
<u>\$ 417,195</u>	<u>\$ 870,315</u>	<u>\$ -</u>	<u>\$ 10,960,707</u>	<u>\$ 12,248,217</u>	<u>\$ 12,536</u>
<u>\$ 163,737</u>	<u>\$ 11,758</u>	<u>\$ 422</u>	<u>\$ 3,734</u>	<u>\$ 179,651</u>	<u>\$ 17,359</u>
<u>\$ -</u>	<u>\$ 784,949</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 784,949</u>	<u>\$ -</u>

**CITY OF PUEBLO, COLORADO**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**DECEMBER 31, 2013**

	Agency Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 225,667
Accounts receivable	2,317,475
<b>TOTAL ASSETS</b>	<b>\$ 2,543,142</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 70,855
Deposits	2,472,287
<b>TOTAL LIABILITIES</b>	<b>\$ 2,543,142</b>

The accompanying notes are an integral part of this statement.

**NOTES TO FINANCIAL STATEMENTS**

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. REPORTING ENTITY**

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

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

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

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

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

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

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

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

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

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

North Gateway Number 1 Public Improvement Corporation – North Gateway Number 1 public improvement corporation (North Gateway PIC No. 1) was organized by City Council as a 63-20 nonprofit corporation to fund extraordinary public improvements within the boundaries of the North Gateway Number 1 business improvement district. The property owners within the boundaries of the North Gateway PIC No. 1 district impose a public improvement fee on sales that occur within these boundaries. The public improvement corporation is a blended component unit because City Council members are the governing body of the corporation and management of the City has operational responsibilities for North Gateway PIC No. 1.

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

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

Pueblo Urban Renewal Authority – The Pueblo Urban Renewal Authority (the Authority) was created in 1959 under provisions of Colorado law. The Authority was virtually inactive until 1986, at which time the City and the Authority entered into a cooperation agreement whereby the Authority acquired certain properties from the City in order to facilitate the building of a convention center and parking structure on a portion of the property and sell the remaining portion to a developer for the purpose of building a hotel. In November 1993, the voters within the City approved the issuance of tax-increment revenue bonds of the Authority for the purpose of constructing a civic center and hotel complex within the Authority’s boundaries. During 2011, the Authority and the City initiated certain additional projects involving infrastructure construction and renovation of the City’s Memorial Hall. The Authority is included as a discretely-presented component unit because the City Council appoints a voting majority of the Authority’s governing body and is able to modify the decisions of the Authority’s governing body and there exists specific financial benefits and specific financial burdens on the City. Separately-issued financial statements of the Authority can be obtained from the Authority at 115 E. Riverwalk, Pueblo, Colorado, 81003.

Pueblo Main Street Garage Corporation – Pueblo Main Street Garage Corporation (the Corporation) was formed in 2006 as a not-for-profit corporation under Colorado law to construct a parking facility. The governing body of the Corporation consists of three members of which one is appointed by the City, one is appointed by the Pueblo Urban Renewal Authority (the Authority), and one is jointly appointed by the City and the Authority. The Corporation is reported as a discretely-presented component unit because it is fiscally dependent on the City since the City can set rates or charges and rent space in the facility to third parties without the consent of the Corporation. Separately issued financial statements of the Corporation are not available.

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

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

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

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

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

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fund financial statements for the proprietary funds. The fiduciary fund, which consists only of an agency fund, has no measurement focus and uses 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. Property taxes are recognized as revenues in the year for which they are levied, while grants and similar items are recognized as revenue when all eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if collected within 60 days of the end of the fiscal year except, beginning with the year ended December 31, 2013, the availability period is considered 120 days for the City's government-mandated nonexchange transactions that are generally classified as expenditure-driven grants. Expenditures generally are recorded when a liability is incurred as is the case with accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due. General capital asset acquisitions are reported as expenditures in governmental funds, while issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

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

**GOVERNMENTAL FUNDS**

The City reports the following major governmental funds:

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

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

PROPRIETARY FUNDS

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

- Elmwood golf course fund accounts for the operation of the city-owned Elmwood golf course. Activities of the fund include operation and maintenance of the golf course, along with the accumulation of resources for the payment of principal and interest on the capital leases outstanding. All costs are financed through charges to users with rates reviewed regularly and adjusted as necessary.
- Walking stick golf course fund accounts for the operations of the city-owned Walking Stick golf course. Activities of the fund include operation and maintenance of the golf course, along with the accumulation of resources for the payment of principal and interest on the capital leases and fund advances outstanding. All costs are financed through charges to users with rates reviewed regularly and adjusted as necessary.
- Sewer user fund accounts for the operations of the City's sewer utility. Activities of the fund include administration, operation and maintenance of the sewer system, along with accumulation of resources for the payment of principal and interest on long-term debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.
- Stormwater utility fund accounts for the operations of the City's stormwater utility. Activities of the fund include administration, operation, and maintenance of the stormwater system, along with accumulation of resources for the payment of principal and interest on the capital leases and fund advances. All costs are financed through charges to customers.
- Memorial airport fund accounts for the operations of the airport that is located approximately eight miles east of the City. Activities include administration, operation and maintenance of the airport. Costs are financed through charges to customers, transfers from other funds and capital grants.
- Other enterprise funds is a summarization of all other nonmajor enterprise funds and includes the operation of the Honor farm, the city-wide bus transportation system, parking facilities, and Memorial Hall.

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

OTHER FUND TYPES

The City reports the following fund types:

- Special revenue funds are used to account for revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects. The other special revenue funds besides the funds characterized as major are:
  - Intergovernmental
  - Special charges
  - Stimulus grants
  - Southpointe special improvement maintenance district
  - Bandera Blvd. special improvement maintenance district
  - North gateway number 1 business improvement district
  - North gateway number 1 public improvement corporation
  - Other special revenue
  
- Capital projects funds are used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlay. The nonmajor capital projects funds are:
  - Historic Arkansas River project
  - Police building
  
- The debt service fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest on general obligation bonds, certificates of participation and capital leases. The primary revenue sources are transfers from the general fund and other funds.
  
- Enterprise funds are used to account for those operations financed and operated in a manner similar to private enterprises where the intent is that the costs, including depreciation, of providing goods and services to the public on a continuing basis are to be financed or recovered primarily through user charges. The City's other enterprise funds besides those funds classified as major are:
  - Honor farm
  - Transportation services
  - Parking facilities
  - Memorial Hall

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

- The internal service funds are used to account for the financing of goods or services provided by one department or agency of the City to other departments or agencies of the City, generally on a cost reimbursement basis. The internal service fund of the City provides risk management, fleet maintenance and communication services to these other City departments and agencies. The Pueblo Transit internal service fund provides labor services to the City's transportation services enterprise fund.
- The agency fund is used to account for assets held by the City in an agency capacity generally for subdivision infrastructure.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this rule is the accrual of interest income and interest expense on fund advances between Elmwood golf course and Walking Stick golf course. Another exception to this rule is the administrative charge imposed on the enterprise funds by the general fund. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

**D. CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents include cash on hand, along with interest and non-interest bearing bank deposits. Restricted cash represents bank deposits held generally in compliance with economic development agreements. Investments include a corporate bond, U.S. agency securities and money market funds. Restricted investments represent money market funds held at a bank trust department which is being used to pay expenditures for the construction of the police building complex, along with funds held by a lender under capital lease agreements.

In accordance with generally accepted accounting principles, the City records certain investments at fair value with any unrealized gain or loss being included as part of investment income. The corporate bond and the U.S. agency securities noted above represent the City's investments reported at fair value with fair value being determined based on quoted market price. Unrealized gains and losses are allocated to each fund based on that fund's share of investments outstanding.

The remaining investments, namely the money market funds, are reported at cost. The money market funds are classified as short-term money market investments that mature within one year of acquisition date. The money market funds include 2a7, SEC-registered external investment pools that are regulated by the SEC, along with other external investment pools that are not regulated by the SEC and, thus, the fair value of the City's investment in these investment pools is the same as the value of the pool shares.

**E. CASH EQUIVALENTS**

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

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

**F. PROPERTY TAXES**

Property taxes were levied on November 25, 2013 based on the assessed value of property as certified by the County Assessor by the previous October 10. Assessed values are a percentage of actual values. Reevaluation of all property must be made every two years and the last reevaluation date was January 1, 2012 for the 2010 base year as specified by state law.

The taxes levied on November 26, 2013 reflect 2013 taxes that will be collected in 2014. The taxes are collected by the County Treasurer and are remitted to the City on a monthly basis. These taxes are due and considered earned on January 2, 2014 and may be paid in two installments (February 28 and June 15) or they may be paid in full on or before April 30. Taxes not paid in accordance with this schedule accrue interest and penalty charges and are subject to liens if not paid by November 2014.

**G. INTERFUND RECEIVABLES/PAYABLES**

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

**H. INVENTORIES AND PREPAID ITEMS**

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

**I. CAPITAL ASSETS**

Capital assets, which include land, land improvements, buildings, infrastructure, other improvements, machinery and equipment, intangible assets and construction-in-progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The capitalization levels were established at \$2,500 for machinery and equipment; \$25,000 for land improvements, buildings, building improvements and computer software. No capitalization threshold was established for land, intangible assets, artworks, and historical treasures. Infrastructure is capitalized only if the outlay meets the criteria established for capitalization. The criteria for capitalization includes (1) increasing the capacity or operating efficiency or (2) extending the useful life of the asset. These levels were set so as to maintain a balance between accountability and managing the costs of recording and tracking these assets. Capital assets are defined as assets with an initial individual cost or estimated cost that equals or exceeds the limits identified above and have a useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at estimated fair value at the time received. Normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed when material. During the year ended December 31, 2013, \$132,066 of interest was capitalized in the Memorial Hall nonmajor enterprise fund. The actual construction of the improvements to Memorial Hall were completed by Pueblo Urban Renewal Authority. Upon completion, the improvements were contributed to the City, including the capitalized interest in accordance with generally accepted accounting principles.

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

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

**J. COMPENSATED ABSENCES**

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

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

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

**K. LONG-TERM LIABILITIES**

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

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

**L. FUND EQUITY**

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

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

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

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

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

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

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

**M. INTERFUND TRANSACTIONS**

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

**N. ESTIMATES**

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

**O. NEW ACCOUNTING PRONOUNCEMENTS**

During the year ended December 31, 2013, the City and its discretely-presented component units implemented GASB Statement 61, The Financial Reporting Entity: Omnibus. The objective of this statement was to amend and modify certain provisions of existing generally accepted accounting principles as outlined in GASB Statements 14 and 34. The implementation of this standard had no material effect on the City’s financial reporting as of and for the year ended December 31, 2013.

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

In addition, the GASB issued Statement 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27, in June 2012. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement was the result of a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity and creating additional transparency. This statement is effective for years beginning after June 15, 2014 and, at the present time, the effect on the City's financial statements is unknown. However, it is anticipated that the application of this statement will require restatement of portions of these financial statements.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. BUDGETARY PRINCIPLES**

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

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

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation ordinance. The city manager may at any time transfer any unencumbered appropriation balance or portion thereof from one classification of expenditures to another within the same department, office or agency. The Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department, office or agency to another. City Council may amend the original adopted budget during the year by passing a new ordinance to reflect current needs. During 2013, the expenditure estimates were amended. These amendments were made in accordance with the City Charter.

**B. LEGAL COMPLIANCE – BUDGETS**

The following nonmajor enterprise fund incurred actual expenditures in excess of appropriations as follows:

<u>Fund</u>	<u>Actual Expenditures</u>	<u>Final Budgeted Expenditures</u>	<u>Variance Positive (Negative)</u>
Memorial Hall	\$ 528,024	\$ 343,002	\$ 185,022

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS**

**A. CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash, cash equivalents and investments are summarized as follows:

Cash on hand		\$ 11,370
Demand deposits		<u>7,598,505</u>
		<u>\$ 7,609,875</u>
Investments –		
U.S. agency securities		\$ 62,926,238
Corporate bond		531,170
Money market funds		25,649,649
Money market funds held by others (restricted)		<u>24,822</u>
		<u>\$ 89,131,879</u>

	<u>Cash and Cash</u> <u>Equivalents</u>	<u>Investments</u>
Reported in the financial statements as follows:		
Government-wide statement of net position	\$ 7,384,208	\$ 89,131,879
Statement of fiduciary assets and liabilities	<u>225,667</u>	<u>-</u>
	<u>\$ 7,609,875</u>	<u>\$ 89,131,879</u>

**DEPOSITS**

At December 31, 2013, the carrying amount of the City's deposits was \$7,598,505 and the bank balance was \$7,454,599. Of the bank balance, \$901,571 was covered by federal depository insurance and \$6,553,028 was collateralized in single financial institution collateral pools maintained by the individual financial institutions that hold these deposits. Colorado law requires that depository institutions must apply for and be designated as an eligible public depository before the institution can accept public fund monies. The depository institution must pledge eligible collateral as security for all public deposits held by that institution that are not insured by depository insurance. The market value of the collateral that each institution pledges as security must equal at least 102% of the total uninsured deposits held by that institution. Generally, the eligible collateral in the collateral pools is held by the depository institution or its agent in the name of the depository institution.

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for custodial credit risk parallels Colorado statutes as described above. As of December 31, 2013, deposits with a bank balance of \$6,553,028 are uninsured but are not exposed to custodial credit risk because they are collateralized with securities held by the pledging financial institution's agent in the City's name.

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

INVESTMENTS

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

At December 31, 2013, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> <u>(in years)</u>	
		<u>Less Than 1</u>	<u>1-5</u>
U.S. agencies	\$ 62,926,238	\$ 5,029,120	\$ 57,897,118
Corporate bond	531,170	-	531,170
Money market funds	25,649,649	25,649,649	-
Money market funds (restricted)	<u>24,822</u>	<u>24,822</u>	<u>-</u>
	<u>\$ 89,131,879</u>	<u>\$ 30,703,591</u>	<u>\$ 58,428,288</u>

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

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

Credit risk – The City's investment policy relative to investment choices provides that the City may invest in U.S. treasury and agency securities, commercial paper, bankers acceptances, local government investment pools, money market funds, repurchase agreements and corporate notes and bonds. As of December 31, 2013, the City's investment in money market funds generally were rated Aaa-mf by Moody's and AAAM by Standard and Poor's. The City's investment in U.S. agency securities includes bonds issued by Federal Farm Credit Banks, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association. At December 31, 2013, the City's investment in these U.S. agency securities were generally rated Aaa by Moody's and AA+ by Standard and Poor's. The City's corporate bond holding was rated Aa2 by Moody's and AA+ by Standard and Poor's.

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

Money market funds totaling \$25,674,471 as noted above include \$20,536,183 of funds held in the Colo Trust investment pool and the C-Safe investment pool. Both Colo Trust and C-Safe are external investment pools that are not registered with the SEC as investment companies but both entities have policies that include provisions that they will 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 cost rather than market value in computing share prices if certain conditions are met. The regulatory oversight for both pools rests with the Colorado Securities Commission and the fair value of the City's investments in these two pools is the same as the value of the pool shares. The City's investment in these two external investment pools were generally rated AAAM by Moody's and Standard and Poor's.

**DISCRETELY PRESENTED COMPONENT UNITS**

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

	<u>Pueblo Urban Renewal Authority</u>	<u>Pueblo Main Street Garage Corporation</u>
Cash on hand	\$ 7,700	\$ -
Demand deposits	<u>1,917,256</u>	<u>78</u>
Total cash and cash equivalents	<u>\$ 1,924,956</u>	<u>\$ 78</u>
 Money market funds held at bank trust departments	 <u>\$ 2,226,232</u>	 <u>\$ -</u>
 Reported in the financial statements as follows:		
Cash and cash equivalents	\$ 896,919	\$ 78
Restricted cash and cash equivalents	1,087,104	-
Bank overdraft included as accounts payable	<u>(59,067)</u>	<u>-</u>
	<u>\$ 1,924,956</u>	<u>\$ 78</u>
 Restricted investments	 <u>\$ 2,226,232</u>	 <u>\$ -</u>

**DEPOSITS**

At December 31, 2013, the carrying amount of the Pueblo Urban Renewal Authority's (the Authority) deposits was \$1,917,256 and the bank balance was \$1,915,885. Of the bank balance, \$817,060 was covered by federal depository insurance and \$1,098,825 was collateralized in single financial institution collateral pools maintained by the individual financial institutions that hold the deposits. Colorado law requires that depository institutions must apply for and be designated as an eligible public depository before the institution can accept public monies. The depository institution must pledge eligible collateral as security for all public deposits held by that institution that are not insured by depository insurance. The 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.

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk. As of December 31, 2013, deposits with a bank balance of \$1,098,825 are uninsured but are not exposed to custodial credit risk because they are collateralized with securities held by the pledging financial institution's agent in the name of the discretely-presented component unit.

**INVESTMENTS**

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

As of December 31, 2013, the Authority had the following investments and maturities:

	<u>Fair Value</u>	<u>Investment Maturity (in years) less than 1</u>
Money market funds held at bank trust departments	\$ 2,226,232	\$ 2,226,232
	<u>\$ 2,226,232</u>	<u>\$ 2,226,232</u>

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

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

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

**B. RECEIVABLES**

Receivables at December 31, 2013 consist of the following:

	Governmental Activities			
	General Fund	Economic Development ½ Cent Tax Fund	HUD Grants Fund	Public Improvements Fund
Taxes –				
Property	\$ 13,221,043	\$ -	\$ -	\$ -
Sales and use	4,541,539	754,035	-	-
Franchise	768,325	-	-	-
Notes and loans	681,578	34,609,344	4,149,862	-
Accounts	647,862	2,583	-	-
Interest	31,901	70,581	-	-
Other	2,118,278	-	471,857	-
	22,010,526	35,436,543	4,621,719	-
Less: allowance for uncollectible accounts	(193,262)	(9,777,167)	-	-
	<u>\$ 21,817,264</u>	<u>\$ 25,659,376</u>	<u>\$ -</u>	<u>\$ -</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 650,000</u>	<u>\$ 15,681,940</u>	<u>\$ 3,770,413</u>	<u>\$ -</u>

	Governmental Activities			
	Capital Improvement Fund	Other Governmental Funds	Internal Service Fund	Total
Taxes –				
Property	\$ -	\$ 36,457	\$ -	\$ 13,257,500
Sales and use	-	-	-	5,295,574
Franchise	-	-	-	768,325
Notes and loans	-	-	-	39,440,784
Accounts	-	484,918	20,150	1,155,513
Interest	9,582	24,039	3,715	139,818
Other	-	-	-	2,590,135
	9,582	545,414	23,865	62,647,649
Less: allowance for uncollectible accounts	-	-	-	(9,970,429)
	<u>\$ 9,582</u>	<u>\$ 545,414</u>	<u>\$ 23,865</u>	<u>\$ 52,677,220</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,102,353</u>

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

Included in accounts receivables is \$422,935 of receivables that are due from Pueblo Urban Renewal Authority (the Authority) under an agreement between the City and the Authority.

	Business-Type Activities						Total
	Elmwood Golf Course	Walking Stick Golf Course	Sewer User	Storm- water Utility	Memorial Airport	Other Enterprise Funds	
Accounts	\$ 36,669	\$ 19,800	\$2,441,743	\$ 562,311	\$151,466	\$137,705	\$3,349,694
Interest	-	-	35,039	2,516	90	799	38,444
	<u>36,669</u>	<u>19,800</u>	<u>2,476,782</u>	<u>564,827</u>	<u>151,556</u>	<u>138,504</u>	<u>3,388,138</u>
Less: allowance for uncollectible accounts	-	-	-	-	(19,770)	-	(19,770)
Receivable from fiduciary fund	-	-	-	-	65,430	-	65,430
	<u>\$ 36,669</u>	<u>\$ 19,800</u>	<u>\$2,476,782</u>	<u>\$ 564,827</u>	<u>\$197,216</u>	<u>\$138,504</u>	<u>\$3,433,798</u>

Included in accounts receivable for other enterprise funds is \$84,392 of receivables from Pueblo Urban Renewal Authority (the Authority) under an agreement between the City and the Authority.

**DISCRETELY PRESENTED COMPONENT UNITS**

Receivables at December 31, 2013 are summarized as follows:

	Pueblo Urban Renewal Authority
Property tax	\$ 4,352,551
Sales tax	280,811
Vendor fees	310,410
Accounts	533,721
Notes	6,964,322
Interest	2,576
Other	<u>15,034</u>
	12,459,425
Less: allowance for uncollectible accounts	-
	<u>\$ 12,459,425</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 6,946,473</u>

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

Included in notes receivable reported above is a note receivable totaling \$6,862,000 that originated in conjunction with the issuance of the revenue bonds, series 2006 and represents the Authority's note to Pueblo Garage Investment Fund LLC. The note carried an interest rate of 1.00% and was due February 14, 2014. Interest only payments were due and paid annually on December 21<sup>st</sup> of each year beginning in 2007. The note was collateralized by a security agreement-pledge wherein Pueblo Garage Investment Fund LLC assigned and pledged its membership interest in NDC New Markets XIX, L.P. On February 14, 2014, this loan was assigned to NDC New Markets Investments XIX, L.P. and this note was paid on February 14, 2014 via a replacement note totaling \$6,862,000 issued by Pueblo Main Street Garage Corporation (a component unit of the City of Pueblo, Colorado). This note is due June 21, 2017 and carries an interest rate of 1.37% with annual interest payments due each December 21<sup>st</sup> until the due date. The note is collateralized by a deed of trust on the parking garage structure.

Included in accounts receivable above is a receivable totaling \$264,632 that is due from the City in conjunction with an infrastructure project. The corresponding account payable is reported in the City's stormwater utility major enterprise fund.

**C. INTERFUND RECEIVABLES/PAYABLES/TRANSFERS**

The following interfund receivables and payables are included in the fund financial statements at December 31, 2013:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental funds –		
General fund	\$ 6,235,311	\$ 4,414,764
Economic development ½ cent tax	-	314,520
HUD grants	716,706	-
Public improvements	2,460,252	-
Capital improvement fund	-	16,809
Nonmajor governmental	<u>1,215,985</u>	<u>258,770</u>
Total governmental funds	<u>10,628,254</u>	<u>5,004,863</u>
Enterprise funds –		
Elmwood golf course	-	731,483
Walking Stick golf course	-	677,997
Sewer user	-	155,388
Stormwater utility	-	11,046
Memorial airport	-	2,033,833
Nonmajor enterprise funds	<u>-</u>	<u>2,035,466</u>
Total enterprise funds	<u>-</u>	<u>5,645,213</u>
Internal service fund	<u>21,822</u>	<u>-</u>
	<u>\$ 10,650,076</u>	<u>\$ 10,650,076</u>

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

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

The following table summarizes advances to/from other funds at December 31, 2013:

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
Major governmental funds –		
Advance due general fund from stormwater utility major enterprise fund	\$ 390,810	\$ -
Advance due general fund from Walking Stick golf course major enterprise fund	1,153,835	-
Advance due capital improvement fund from honor farm nonmajor enterprise fund	747,000	-
Major enterprise funds –		
Advance due Elmwood golf course from Walking Stick golf course	11,787,403	-
Advance due from Walking Stick golf course to Elmwood golf course	-	11,787,403
Advance due to general fund from Walking Stick golf course	-	1,153,835
Advance due to general fund from stormwater utility fund	-	390,810
Nonmajor enterprise fund –		
Advance due to capital improvement fund from honor farm fund	-	747,000
	<u>\$ 14,079,048</u>	<u>\$ 14,079,048</u>

The advance from the general fund to the stormwater utility fund was provided for start-up costs associated with the operation of the stormwater utility. The advance from the capital improvement fund to the honor farm fund was provided for capital improvements. It is expected that these advances will be paid in more than one year.

The advance from Elmwood golf course fund to Walking Stick golf course fund generally reflects prior City Council actions which recharacterized transfers to Walking Stick golf course as advances. It is presently anticipated that repayment of these advances will begin in the near future since the certificates of participation outstanding were paid off in 2008. The advance from the general fund to Walking Stick golf course reflects an advance for debt service and capital improvements. It is presently anticipated that the repayment of this advance will begin in the near future since the certificates of participation were paid off in 2008.

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

Transfers for the year ended December 31, 2013 are as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
Governmental funds –		
General fund	\$ 4,310,961	\$ 6,855,505
Economic development ½ cent tax	-	373,097
HUD grants	-	192,487
Public improvements	339,221	-
Capital improvement fund	1,723,734	94,801
Other governmental funds	<u>3,893,200</u>	<u>6,089,779</u>
Total governmental funds	<u>10,267,116</u>	<u>13,605,669</u>
Enterprise funds –		
Sewer user	-	100,000
Stormwater utility	-	24,000
Memorial airport	851,130	-
Other enterprise funds	<u>2,291,733</u>	<u>-</u>
Total enterprise funds	<u>3,142,863</u>	<u>124,000</u>
Internal service fund	<u>319,690</u>	<u>-</u>
	<u>\$ 13,729,669</u>	<u>\$ 13,729,669</u>

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

**D. DUE FROM OTHER GOVERNMENTAL AGENCIES**

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

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

**E. CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2013 was as follows:

	Balance January 1, <u>2013</u>	<u>Additions</u>	Deletions/ Inventory Adjustments/ <u>Transfers</u>	Balance December 31, <u>2013</u>
Governmental activities –				
Nondepreciable assets –				
Land	\$ 16,476,051	\$ 31,459	\$ 38,024	\$ 16,469,486
Land – infrastructure	74,532,137	62,070	-	74,594,207
Art works	814,664	39,955	-	854,619
Intangibles	1,061,415	39,588	-	1,101,003
Construction in progress	<u>17,962,364</u>	<u>2,817,078</u>	<u>15,143,801</u>	<u>5,635,641</u>
Total capital assets not being depreciated	<u>110,846,631</u>	<u>2,990,150</u>	<u>15,181,825</u>	<u>98,654,956</u>
Depreciable assets –				
Land improvements	47,735,820	626,362	-	48,362,182
Infrastructure	165,443,974	7,539,379	36,549	172,946,804
Buildings	55,715,580	11,711,162	1,081,989	66,344,753
Machinery and equipment	<u>35,783,433</u>	<u>3,561,409</u>	<u>740,085</u>	<u>38,604,757</u>
Total capital assets being depreciated	<u>304,678,807</u>	<u>23,438,312</u>	<u>1,858,623</u>	<u>326,258,496</u>
Less: accumulated depreciation for –				
Land improvements	(8,616,137)	(629,199)	-	(9,245,336)
Infrastructure	(45,813,944)	(1,853,311)	21,198	(47,646,057)
Buildings	(10,358,663)	(1,398,123)	330,765	(11,426,021)
Machinery and equipment	<u>(24,879,495)</u>	<u>(2,422,724)</u>	<u>740,085</u>	<u>(26,562,134)</u>
Total accumulated depreciation	<u>(89,668,239)</u>	<u>(6,303,357)</u>	<u>1,092,048</u>	<u>(94,879,548)</u>
Capital assets being depreciated, net	<u>215,010,568</u>	<u>17,134,955</u>	<u>766,575</u>	<u>231,378,948</u>
Total governmental activities capital assets, net	<u>\$325,857,199</u>	<u>\$ 20,125,105</u>	<u>\$ 15,948,400</u>	<u>\$330,033,904</u>

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

	Balance January 1, <u>2013</u>	<u>Additions</u>	Deletions/ Inventory Adjustments/ <u>Transfers</u>	Balance December 31, <u>2013</u>
Business-type activities				
Nondepreciable assets –				
Land	4,363,359	410	-	4,363,769
Intangibles	11,930	1,478	-	13,408
Construction in progress	<u>43,457,924</u>	<u>8,152,384</u>	<u>40,344,510</u>	<u>11,265,798</u>
Total capital assets not being depreciated	<u>47,833,213</u>	<u>8,154,272</u>	<u>40,344,510</u>	<u>15,642,975</u>
Depreciable assets –				
Land improvements	27,773,544	9,279,810	-	37,053,354
Infrastructure	92,001,603	3,673,223	13,995	95,660,831
Buildings	28,873,762	41,066,298	-	69,940,060
Machinery and equipment	17,362,850	1,809,735	1,445,680	17,726,905
Other improvements	<u>26,398,937</u>	<u>-</u>	<u>-</u>	<u>26,398,937</u>
Total capital assets being depreciated	<u>192,410,696</u>	<u>55,829,066</u>	<u>1,459,675</u>	<u>246,780,087</u>
Less: accumulated depreciation for –				
Land improvements	(5,547,030)	(1,189,162)	-	(6,736,192)
Infrastructure	(19,456,793)	(823,025)	13,723	(20,266,095)
Buildings	(8,637,871)	(1,425,315)	-	(10,063,186)
Machinery and equipment	(12,506,810)	(1,519,419)	1,369,709	(12,656,520)
Other improvements	<u>(23,670,870)</u>	<u>(193,297)</u>	<u>-</u>	<u>(23,864,167)</u>
Total accumulated depreciation	<u>(69,819,374)</u>	<u>(5,150,218)</u>	<u>1,383,432</u>	<u>(73,586,160)</u>
Capital assets being depreciated, net	<u>122,591,322</u>	<u>50,678,848</u>	<u>76,243</u>	<u>173,193,927</u>
Total business-type activities capital assets, net	<u>\$ 170,424,535</u>	<u>\$ 58,833,120</u>	<u>\$ 40,420,753</u>	<u>\$ 188,836,902</u>

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

	Balance January 1, <u>2013</u>	<u>Additions</u>	Deletions/ Inventory Adjustments/ <u>Transfers</u>	Balance December 31, <u>2013</u>
Pueblo Urban Renewal Authority discretely-presented component unit -				
Nondepreciable assets -				
Land	\$ 1,190,391	\$ 183,032	\$ -	\$ 1,373,423
Memorial	<u>295,097</u>	<u>-</u>	<u>-</u>	<u>295,097</u>
Total capital assets not being depreciated	<u>1,485,488</u>	<u>183,032</u>	<u>-</u>	<u>1,668,520</u>
Depreciable assets -				
Buildings	9,995,666	-	-	9,995,666
Machinery and equipment	1,183,653	10,555	-	1,194,208
Other improvements	<u>1,262,712</u>	<u>55,619</u>	<u>-</u>	<u>1,318,331</u>
Total capital assets being depreciated	<u>12,442,031</u>	<u>66,174</u>	<u>-</u>	<u>12,508,205</u>
Less: accumulated depreciation for -				
Buildings	(2,885,723)	(199,689)	-	(3,085,412)
Machinery and equipment	(898,737)	(70,344)	-	(969,081)
Other improvements	<u>(522,500)</u>	<u>(91,909)</u>	<u>-</u>	<u>(614,409)</u>
Total accumulated depreciation	<u>(4,306,960)</u>	<u>(361,942)</u>	<u>-</u>	<u>(4,668,902)</u>
Capital assets being depreciated, net	<u>8,135,071</u>	<u>(295,768)</u>	<u>-</u>	<u>7,839,303</u>
Total Pueblo Urban Renewal Authority capital assets, net	<u>\$ 9,620,559</u>	<u>\$ (112,736)</u>	<u>\$ -</u>	<u>\$ 9,507,823</u>
Pueblo Main Street Garage Corporation discretely-presented component unit -				
Depreciable assets -				
Building	\$ 11,339,196	\$ -	\$ -	\$ 11,339,196
Total capital assets being depreciated	<u>11,339,196</u>	<u>-</u>	<u>-</u>	<u>11,339,196</u>
Less: accumulated depreciation for -				
Building	<u>(1,133,453)</u>	<u>(226,794)</u>	<u>-</u>	<u>(1,360,247)</u>
Capital assets being depreciated, net	<u>10,205,743</u>	<u>(226,794)</u>	<u>-</u>	<u>9,978,949</u>
Total Pueblo Main Street Garage Corporation capital assets, net	<u>\$ 10,205,743</u>	<u>\$ (226,794)</u>	<u>\$ -</u>	<u>\$ 9,978,949</u>

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

	Balance January 1, <u>2013</u>	<u>Additions</u>	Deletions/ Inventory Adjustments/ <u>Transfers</u>	Balance December 31, <u>2013</u>
Pueblo Municipal Rail Corporation discretely-presented component unit -				
Nondepreciable assets -				
Land	\$ 529,620	\$ -	\$ -	\$ 529,620
Construction in progress	<u>2,109,699</u>	<u>362,261</u>	<u>2,471,960</u>	<u>-</u>
Total capital assets not being depreciated	<u>2,639,219</u>	<u>362,261</u>	<u>2,471,960</u>	<u>529,620</u>
Depreciable assets -				
Infrastructure	<u>-</u>	<u>2,471,960</u>	<u>-</u>	<u>2,471,960</u>
Total capital assets being depreciated	<u>-</u>	<u>2,471,960</u>	<u>-</u>	<u>2,471,960</u>
Less: accumulated depreciation for infrastructure	<u>-</u>	<u>(24,720)</u>	<u>-</u>	<u>(24,720)</u>
Capital assets being depreciated, net	<u>-</u>	<u>2,447,240</u>	<u>-</u>	<u>2,447,740</u>
Total Pueblo Municipal Rail Corporation capital assets, net	<u>\$ 2,639,319</u>	<u>\$ 2,809,501</u>	<u>\$2,471,960</u>	<u>\$ 2,976,860</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities -		
General government		\$ 523,853
Public safety		2,131,632
Public works		2,109,483
Culture and community welfare		386,665
Parks and recreation		918,838
Economic development		<u>232,886</u>
Total depreciation expense - governmental activities		<u>\$ 6,303,357</u>
Business-type activities -		
Elmwood golf course		\$ 200,891
Walking Stick golf course		251,064
Sewer user		1,566,103
Stormwater utility		681,248
Memorial airport		1,273,599
Other enterprise funds		<u>1,177,313</u>
Total depreciation expense - business-type activities		<u>\$ 5,150,218</u>

**CITY OF PUEBLO, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

Discretely-presented component units –	
Pueblo Urban Renewal Authority	\$ 361,942
Pueblo Main Street Garage Corporation	226,794
Pueblo Municipal Rail Corporation	<u>24,720</u>
	<u>\$ 613,456</u>

At December 31, 2013, the City had in progress various construction projects for both governmental activities and business-type activities. Costs to date and total estimated costs are summarized below:

	Costs to December 31, <u>2013</u>	Total Estimated <u>Costs</u>
Governmental activities –		
City Hall renovation	\$ 553,339	\$ 1,053,311
Arkansas river habitat	137,191	336,100
Other parks projects	237,160	2,988,148
Greenhorn drive extension	744,806	1,200,000
Bridge replacement	962,901	2,732,039
Dillon flyover	2,841,881	5,450,915
Other public works projects	<u>158,363</u>	<u>1,656,740</u>
	<u>\$ 5,635,641</u>	<u>\$ 15,417,253</u>
Business-type activities –		
Sewer user	\$ 64	\$ 909,700
Stormwater	770,702	1,107,286
Memorial airport	<u>10,495,032</u>	<u>13,786,894</u>
	<u>\$ 11,265,798</u>	<u>\$ 15,803,880</u>

**F. DEFERRED OUTFLOWS OF RESOURCES/DEFERRED INFLOWS OF RESOURCES**

Deferred outflows of resources at December 31, 2013 are summarized as follows:

	<u>Governmental Activities</u>	<u>Pueblo Urban Renewal Authority</u>
Deferred amounts on refunding	<u>\$ 44,895</u>	<u>\$ 949,127</u>

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**F. DEFERRED OUTFLOWS OF RESOURCES/DEFERRED INFLOWS OF RESOURCES (Cont'd.)**

Deferred inflows of resources at December 31, 2013 are summarized as follows:

	Governmental Activities					Total
	General Fund	HUD Grants	Public Improvements	Capital Improvement Fund	Other Governmental Funds	
Property taxes	\$ 13,221,043	\$ -	\$ -	\$ -	\$ 36,457	\$ 13,257,500
Notes and loans	681,578	243,319	-	-	-	924,897
Other receivables	2,602,922	576,266	231,445	20,132	200,067	3,630,832
Other unavailable revenue	-	-	365,536	-	-	365,536
	16,505,543	819,585	596,981	20,132	236,524	18,178,765
Less: amounts recognized as revenue in the government-wide statements	(3,250,039)	(576,266)	(81,203)	(20,132)	(200,067)	(4,127,707)
	\$ 13,255,504	\$ 243,319	\$ 515,778	\$ -	\$ 36,457	\$ 14,051,058
						Pueblo Urban Renewal Authority
Property taxes						\$ 4,352,551
Grants received in advance						12,500
						\$ 4,365,051

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

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**G. LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities in the government-wide financial statements for the year ended December 31, 2013:

	Balance January 1, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2013</u>	Due Within <u>One Year</u>
Governmental activities					
General obligation bonds –					
Historic Arkansas River refunding, series 2005	\$ 3,600,000	\$ -	\$ 850,000	\$ 2,750,000	\$ 880,000
Unamortized premium	<u>53,433</u>	<u>-</u>	<u>17,812</u>	<u>35,621</u>	<u>-</u>
	<u>3,653,433</u>	<u>-</u>	<u>867,812</u>	<u>2,785,621</u>	<u>880,000</u>
Certificates of participation –					
Police complex, series 2008	17,915,000	-	685,000	17,230,000	720,000
Unamortized discount	<u>(109,284)</u>	<u>-</u>	<u>(10,357)</u>	<u>(98,927)</u>	<u>-</u>
	<u>17,805,716</u>	<u>-</u>	<u>674,643</u>	<u>17,131,073</u>	<u>720,000</u>
Capital leases –					
Fire truck	498,092	-	159,852	338,240	165,953
Radio equipment	2,121,263	-	390,819	1,730,444	406,864
Fire equipment	315,450	-	48,983	266,467	50,366
Parks equipment	1,037,063	31,108	203,669	864,502	210,268
Computer equipment	71,576	-	71,576	-	-
Police laptops	-	278,740	70,681	208,059	68,446
Street sweeper	-	164,853	55,649	109,204	54,185
Tyler ERP system	-	1,924,275	-	1,924,275	187,374
	<u>4,043,444</u>	<u>2,398,976</u>	<u>1,001,229</u>	<u>5,441,191</u>	<u>1,143,456</u>
Accrued interest payable	<u>461,243</u>	<u>1,207,255</u>	<u>1,204,852</u>	<u>463,646</u>	<u>463,646</u>
Compensated absences	<u>8,064,666</u>	<u>4,278,199</u>	<u>4,446,687</u>	<u>7,896,178</u>	<u>789,618</u>
Claims and judgments	<u>1,631,480</u>	<u>1,315,879</u>	<u>1,212,608</u>	<u>1,734,751</u>	<u>1,270,000</u>
Net pension obligation	<u>5,710,750</u>	<u>2,611,132</u>	<u>8,321,882</u>	<u>-</u>	<u>-</u>
Net post-employment benefit obligation	<u>2,019,381</u>	<u>797,227</u>	<u>246,140</u>	<u>2,570,468</u>	<u>-</u>
Total governmental activities	<u>\$ 43,390,113</u>	<u>\$ 12,608,668</u>	<u>\$ 17,975,853</u>	<u>\$ 38,022,928</u>	<u>\$ 5,266,720</u>

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

Payments on the general obligation bonds and certificates of participation are recorded in the debt service fund, along with the capital lease payments. The payments for compensated absences are also recorded in the general fund, while claims and judgments are recognized in the internal service fund. Payments on the net pension obligation and the net post-employment benefit obligation are also recorded in the general fund. In addition, the increase in the parks equipment capital lease totaling \$31,108 was the result of the transfer of the related equipment from the honor farm nonmajor enterprise fund to governmental activities.

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

	<u>Cost</u>	<u>Accumulated Depreciation to December 31, 2013</u>
Fire truck	\$ 1,077,498	\$ 923,570
Radio equipment	3,900,000	1,040,000
Fire equipment	363,503	155,787
Parks equipment	1,068,170	305,767
Police laptops	278,741	122,913
Street sweeper	164,853	23,550
Tyler ERP system	<u>1,924,275</u>	<u>128,285</u>
	<u>\$ 8,777,040</u>	<u>\$ 2,699,872</u>

	<u>Balance January 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31, 2013</u>	<u>Due Within One Year</u>
Business-type activities:					
Capital leases –					
Elmwood golf course	\$ 491,111	\$ -	\$ 99,708	\$ 391,403	\$ 95,576
Walking Stick golf course	2,059,232	-	206,961	1,852,271	208,620
Stormwater utility	251,441	-	39,428	212,013	40,387
Honor farm nonmajor enterprise fund	<u>210,043</u>	<u>-</u>	<u>72,357</u>	<u>137,686</u>	<u>33,487</u>
Total	<u>3,011,827</u>	<u>-</u>	<u>418,454</u>	<u>2,593,373</u>	<u>378,070</u>
Notes payable – sewer user fund					
2003 issue	5,110,815	-	379,189	4,731,626	384,685
2009 issue	1,312,500	-	75,000	1,237,500	75,000
2010 issue	21,643,094	-	1,005,632	20,637,462	1,021,215
Unamortized premium	<u>1,234,986</u>	<u>-</u>	<u>70,237</u>	<u>1,164,749</u>	<u>-</u>
	<u>29,301,395</u>	<u>-</u>	<u>1,530,058</u>	<u>27,771,337</u>	<u>1,480,900</u>
Note payable – stormwater utility	<u>-</u>	<u>784,949</u>	<u>143,990</u>	<u>640,959</u>	<u>264,520</u>
Compensated absences	<u>1,137,320</u>	<u>508,016</u>	<u>560,929</u>	<u>1,084,407</u>	<u>108,441</u>
Total business-type activities	<u>\$ 33,450,542</u>	<u>\$ 1,292,965</u>	<u>\$ 2,653,431</u>	<u>\$ 32,090,076</u>	<u>\$ 2,231,931</u>

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
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**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

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

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

	<u>Cost</u>	<u>Accumulated Depreciation to December 31, 2013</u>
Elmwood golf course equipment	\$ 491,111	\$ 70,181
Walking Stick golf course equipment	2,174,017	200,968
Stormwater utility equipment	294,284	126,122
Honor farm nonmajor enterprise fund	<u>171,328</u>	<u>45,262</u>
	<u>\$ 3,130,740</u>	<u>\$ 442,533</u>

	<u>Balance January 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31, 2013</u>	<u>Due Within One Year</u>
Pueblo Urban Renewal Authority discretely-presented component unit:					
Revenue bonds, series 2006	\$ 8,624,000	\$ -	\$ 323,000	\$ 8,301,000	\$ 339,000
Unamortized premium	<u>89,531</u>	<u>-</u>	<u>5,399</u>	<u>84,132</u>	<u>-</u>
	<u>8,713,531</u>	<u>-</u>	<u>328,399</u>	<u>8,385,132</u>	<u>339,000</u>
Improvement revenue bond, series 2011B	10,000,000	-	-	10,000,000	-
Unamortized premium	<u>258,102</u>	<u>-</u>	<u>9,927</u>	<u>248,175</u>	<u>-</u>
	<u>10,258,102</u>	<u>-</u>	<u>9,927</u>	<u>10,248,175</u>	<u>-</u>
Taxable refunding revenue bonds, series 2011A	1,030,000	-	290,000	740,000	300,000
Tax-exempt refunding revenue bonds, series 2011B	3,890,000	-	-	3,890,000	-
Unamortized premium	<u>360,032</u>	<u>-</u>	<u>22,502</u>	<u>337,530</u>	<u>-</u>
	<u>5,280,032</u>	<u>-</u>	<u>312,502</u>	<u>4,967,530</u>	<u>300,000</u>
Bank notes	<u>3,246,840</u>	<u>550,000</u>	<u>204,484</u>	<u>3,592,356</u>	<u>437,748</u>
Compensated absences	<u>8,671</u>	<u>15,218</u>	<u>16,082</u>	<u>7,807</u>	<u>3,826</u>
Total Pueblo Urban Renewal Authority discretely-presented component unit activities	<u>\$ 27,507,176</u>	<u>\$ 565,218</u>	<u>\$ 871,394</u>	<u>\$ 27,201,000</u>	<u>\$ 1,080,574</u>

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

	Balance January 1, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2013</u>	Due Within <u>One Year</u>
Pueblo Main Street Garage Corporation discretely-presented component unit:					
Note payable	\$ 6,862,000	\$ _____ -	\$ _____ -	\$ 6,862,000	\$ _____ -
Note payable	<u>2,788,000</u>	_____ -	<u>2,788,000</u>	_____ -	_____ -
Total Pueblo Main Street Garage Corporation discretely-presented component unit activities	<u>\$ 9,650,000</u>	<u>\$ _____ -</u>	<u>\$ 2,788,000</u>	<u>\$ 6,862,000</u>	<u>\$ _____ -</u>
Pueblo Municipal Rail Corporation discretely-presented component unit:					
Note payable	\$ 2,109,699	\$ _____ -	\$ _____ -	\$ 2,109,699	\$ _____ -
Total Pueblo Municipal Rail Corporation discretely-presented component unit activities	<u>\$ 2,109,699</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 2,109,699</u>	<u>\$ _____ -</u>

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

General Obligation

\$8,220,000 2005 series general obligation refunding bonds; interest rate ranges from 3.50% to 4.50%; due in annual installments ranging from \$976,075 to \$976,488 including interest through December, 2016; debt is serviced by the debt service fund

\$ 2,750,000

Certificates of Participation

\$20,625,000 certificates of participation issue of Pueblo Municipal Building Corporation; interest rate ranges from 4.375% to 5.50%; due in annual installments including interest ranging from \$1,620,491 to \$2,637,850 through August, 2023; debt is serviced by the debt service fund and is subject to annual appropriation by City Council

17,230,000

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

Obligations under capital lease

\$1,077,489 obligation under capital lease; interest rate of 4.15%; payable in annual installments of \$178,862 including interest beginning January 2009 and continuing through January 2015; debt is serviced by the debt service fund and is subject to annual appropriation by City Council	338,240
\$3,900,000 obligation under capital lease; interest rate of 4.06%; payable in semi-annual installments of \$236,548 including interest beginning February 2008 and continuing through August 2017; debt is serviced by the debt service fund and is subject to annual appropriation by City Council	1,730,444
\$363,503 obligation under capital lease; interest rate of 2.825%; payable in annual installments of \$57,894 including interest beginning January, 2013 and continuing through January, 2018; debt is serviced by the debt service fund and is subject to annual appropriation by City Council	266,467
\$1,068,171 obligation under capital lease; interest rate of 1.835%; payable in annual installments of \$262,145 including interest beginning February, 2013 through February 2017; debt is serviced by the debt service fund and is subject to annual appropriation by City Council	864,502
\$278,740 obligation under capital lease; interest rate of 1.32%; payable in annual installments of \$71,192 including interest beginning June, 2013 through June, 2016; debt is serviced by the debt service fund and is subject to annual appropriations by City Council	208,059
\$164,853 obligation under capital lease; interest rate of 1.54%; payable in annual installments of \$55,867 including interest beginning November, 2013 through November, 2015; debt is serviced by the debt service fund and is subject to annual appropriation by City Council	109,204
\$1,924,275 obligation under capital lease; interest rate of 1.87%; payable in annual installments of \$211,551 including interest beginning January, 2014 through January, 2023; debt is serviced by the debt service fund and is subject to annual appropriation by City Council	1,924,275

5,441,191

Other Obligations

Accrued interest payable	463,646
Compensated absences	7,896,178
Self-insured claims and judgments	1,734,751
Net post-employment benefit obligation	2,570,468
	<u>12,665,043</u>

Total governmental activities	<u>\$ 38,086,234</u>
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**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

The debt service requirements for the governmental activities general obligation bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 880,000	\$ 96,075	\$ 976,075
2015	915,000	61,275	976,275
2016	<u>955,000</u>	<u>21,487</u>	<u>976,487</u>
	<u>\$ 2,750,000</u>	<u>\$ 178,837</u>	<u>\$ 2,928,837</u>

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 720,000	\$ 918,116	\$ 1,638,116
2015	735,000	885,491	1,620,491
2016	790,000	851,081	1,641,081
2017	1,820,000	808,706	2,628,706
2018	1,915,000	713,156	2,628,156
2019-2023	<u>11,250,000</u>	<u>1,906,525</u>	<u>13,156,525</u>
	<u>\$ 17,230,000</u>	<u>\$ 6,083,075</u>	<u>\$ 23,313,075</u>

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,143,456	\$ 131,138	\$ 1,274,594
2015	1,165,044	109,548	1,274,592
2016	964,798	75,068	1,039,866
2017	921,706	46,963	968,669
2018	245,491	23,953	269,444
2019-2023	<u>1,000,696</u>	<u>57,058</u>	<u>1,057,754</u>
	<u>\$ 5,441,191</u>	<u>\$ 443,728</u>	<u>\$ 5,884,919</u>

The \$20,625,000 police complex certificates of participation issue of PMBC represent assignments of proportionate interests in rights to receive payments pursuant to an annually-renewable police complex lease purchase agreement dated October 1, 2008. The principal and interest on the certificates is payable solely from annually appropriated base rentals paid by the City to PMBC. The certificates shall never constitute or give rise to a general obligation of the City within the meaning of any constitutional, statutory or other charter limitation. All the payment obligations of the City are subject to annual appropriation by City Council.

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

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

Obligations Under Capital Leases

\$491,111 obligation under capital lease; interest rate of 1.64%; due in annual installments of \$101,721 including principal and interest through April 2017; debt is serviced by the Elmwood golf course major enterprise fund and is subject to annual appropriation by City Council \$ 391,403

\$1,700,000 obligation under capital lease; interest rate of 4.97%; due in annual installments of \$191,479 including principal and interest beginning January, 2013 through January, 2023; debt is serviced by the Walking Stick golf course major enterprise fund and is subject to annual appropriation by City Council 1,480,705

\$466,220 obligation under capital lease; interest rate of 1.64%; due in annual installments of \$96,566 including principal and interest through April 2017; debt is serviced by the Walking Stick golf course major enterprise fund and is subject to annual appropriation by City Council 371,566

\$294,284 obligation under capital lease; interest rate of 2.44%; due in annual installments of \$45,550 including principal and interest beginning February 2013 through February 2018; debt is serviced by the storm water utility major enterprise fund and is subject to annual appropriation by City Council 212,013

\$210,043 obligation under capital lease; interest rate of 1.835%; due in annual installments of \$36,014 including principal and interest beginning February 2013 through February 2017; debt is serviced by the honor farm nonmajor enterprise fund and is subject to annual appropriation by City Council 137,686

2,593,373

Notes payable

\$8,402,620 note payable to Colorado Water Resources Power Development Authority; interest rate of 3.25%; due in semiannual installments ranging from \$258,725 to \$269,194 including principal, interest and administrative fees through August 2024; debt is serviced by the sewer user major enterprise fund 4,731,626

\$1,500,000 note payable to Colorado Water Resources Power Development Authority; non-interest bearing; due in semi-annual installments of \$37,500 through February, 2030; debt is serviced by the sewer user major enterprise fund 1,237,500

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
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**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

\$23,595,277 note payable to Colorado Water Resources Power Development Authority; interest rate of 2.5%; due in semi-annual installments including principal, interest and administrative fees ranging from \$795,462 to \$798,366 through August, 2030; debt is serviced by the sewer user major enterprise fund 20,637,462

26,606,588

\$784,949 note payable to Pueblo Board of Water Works; interest rate of .375%; due in monthly installments of \$22,206 including principal and interest through May, 2016; debt is serviced by the storm water utility major enterprise fund 640,959

Other obligations

Compensated absences 1,084,407

Total business-type activities \$ 30,925,327

The debt service requirements for the business-type activities capital leases are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 378,070	\$ 93,259	\$ 471,329
2015	388,457	82,876	471,333
2016	399,207	72,122	471,329
2017	410,355	60,980	471,335
2018	187,597	49,432	237,029
2019-2023	<u>829,687</u>	<u>127,704</u>	<u>957,391</u>
	<u>\$ 2,593,373</u>	<u>\$ 486,373</u>	<u>\$ 3,079,746</u>

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,745,420	\$ 456,096	\$ 2,201,516
2015	1,767,993	431,635	2,199,628
2016	1,640,144	415,225	2,055,369
2017	1,555,797	384,504	1,940,301
2018	1,583,042	358,083	1,941,125
2019-2023	8,465,565	1,257,696	9,723,261
2024-2028	7,415,437	519,445	7,934,882
2029-2030	<u>3,074,149</u>	<u>66,808</u>	<u>3,140,957</u>
	<u>\$ 27,247,547</u>	<u>\$ 3,889,492</u>	<u>\$ 31,137,039</u>

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

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

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

Revenue

\$9,500,000 revenue bonds (expanded urban renewal project area), series 2006; interest rate ranging from 4.698% to 4.937%; due in annual installments ranging from \$754,202 to \$755,611 including interest through September, 2029	\$ 8,301,000
\$10,000,000 improvement revenue bonds, series 2011B; interest rate ranging from 2.15% to 5.25%; due in annual installments ranging from \$528,263 to \$1,068,688, including interest through December, 2038	10,000,000
\$1,590,000 taxable revenue refunding bonds series 2011A; interest rate of 5.00%; due in annual installments ranging from \$131,250 to \$337,000 including principal and interest through December, 2016	740,000
\$3,890,000 tax-exempt revenue refunding bonds series 2011B; interest rate ranging from 2.50% to 5.5%; due in annual installments ranging from \$200,700 to \$465,125, including principal and interest through December, 2028	<u>3,890,000</u>
	<u>22,931,000</u>

Notes Payable

\$3,000,000 bank note; interest rate of 4.5%; due in semi-annual installments of interest and principal ranging from \$230,000 to \$271,706 through December, 2029	2,905,000
\$256,000 bank note; interest rate indexed at 2 points over 5 year LIBOR/swap rate; current rate is 3.276%; due in monthly installments of \$1,462 through December, 2016, at which time the note is due in full which is estimated at \$207,861; secured by real estate with a carrying value of \$390,136 at December 31, 2013	237,356
\$4,000,000 multi-draw term bank note; interest rate of 3.95%; due in annual installments of \$327,942 plus accrued interest on due date	450,000
\$100,000 bank line of credit note; interest rate is prime rate announced by bank; line of credit expired April 1, 2014	<u>-</u>
	<u>3,592,356</u>
Total Pueblo Urban Renewal Authority discretely-presented component unit activities	<u>\$ 26,523,356</u>

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

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

Year Ending December 31	Revenue Bonds		Notes Payable		Total
	Principal	Interest	Principal	Interest	
2014	\$ 639,000	\$ 1,181,475	\$ 437,747	\$ 156,235	\$ 2,414,457
2015	691,000	1,130,212	237,193	138,452	2,196,857
2016	723,000	1,097,543	352,416	128,583	2,301,542
2017	757,000	1,061,333	145,000	115,425	2,078,758
2018	797,000	1,024,459	150,000	108,900	2,080,359
2019-2023	4,600,000	4,501,357	885,000	434,925	10,421,282
2024-2028	5,879,000	3,240,034	1,125,000	214,875	10,458,909
2029-2033	4,260,000	1,825,320	260,000	11,700	6,357,020
2034-2038	<u>4,585,000</u>	<u>746,550</u>	<u>-</u>	<u>-</u>	<u>5,331,550</u>
	<u>\$ 22,931,000</u>	<u>\$ 15,808,283</u>	<u>\$ 3,592,356</u>	<u>\$ 1,309,095</u>	<u>\$ 43,640,734</u>

The series 2006 revenue bonds (expanded urban renewal project) were issued to assist in the financing and construction of a parking garage. The actual construction of the parking garage was undertaken by Pueblo Main Street Garage Corporation (a not-for-profit corporation and a discretely-presented component unit of the City). As security for the series 2006 revenue bonds (expanded urban renewal project), the Authority has pledged the incremental property tax collected from 2006 through 2030 from within the expanded project area but not including revenues of any kind derived from sources related to the area included in the phase one project area which is part of the expanded urban renewal project area. In addition, the Authority has entered into a cooperation agreement (series 2006) and a letter of understanding with the City to share the debt service and other expenses incurred related to the bonds in the ratio of 40% to be paid by the City and 60% to be paid by the Authority. The obligation of the City to fund its 40% share of the costs is contingent upon annual appropriation by City Council.

The series 2011B improvement revenue bond issue totaling \$10,000,000 was consummated in June, 2011 for the purpose of providing funds for the remodeling and restoring of the historic Memorial Hall which is within the expanded downtown district. The series 2011B improvement revenue bonds are special limited obligations of the Authority. Interest and principal are payable from the proceeds of the pledged revenue which consists of 3.3% of the City of Pueblo's sales and use tax collections.

The bank note issue of \$3,000,000 (series 2011 bonds) was consummated in March 2011 to provide funds for the construction of certain infrastructure and other improvements in the Lake Minnequa district. Interest and principal on this note is payable from the pledged incremental property taxes generated within the Lake Minnequa district.

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

The multi-draw term bank note was issued in December, 2013 to provide assistance for the construction of the Dillon flyover infrastructure project, together with other improvements in the North Pueblo district. Interest and principal on this note is payable from the pledged incremental property taxes generated within the North Pueblo district.

The Authority issued the above described revenue refunding bonds, which carry an average interest rate of 5.19%, to advance refund the Authority's then outstanding refunding series 2005 bonds totaling \$5,245,000 which carried an average interest rate of 3.75%. The net proceeds of \$5,746,274 were used to purchase U.S. government securities that were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2005 series refunding bonds. As a result, the 2005 series refunding bonds are considered defeased and the liability for these bonds has been removed from the financial statements of the Authority. The balance outstanding at December 31, 2013 on the aforementioned series 2005 refunding bonds was \$3,695,000. The series 2011A and 2011B revenue refunding bond issues of the Authority are special limited obligations of the Authority payable from pledged revenues which consist of 3.3% portion of the total City of Pueblo, Colorado sales and use tax collections which have been pledged to the Authority for payment of debt service on the bonds.

The following is a description of each individual issue for the Pueblo Main Street Garage Corporation discretely-presented component unit:

Notes Payable

\$6,862,000 recourse promissory note in favor of Pueblo Urban Renewal Authority; interest rate of 1.37%; due in annual interest only payments of \$94,010 through June, 2017, at which time the note is due in its entirety; collateralized by a first deed of trust on the parking garage \$ 6,862,000

The debt service requirements for the Pueblo Main Street Garage Corporation discretely-presented component unit are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ -	\$ 94,010	\$ 94,010
2015	-	94,010	94,010
2016	-	94,010	94,010
2017	<u>6,862,000</u>	<u>47,005</u>	<u>6,909,005</u>
	<u>\$ 6,862,000</u>	<u>\$ 329,035</u>	<u>\$ 7,191,035</u>

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

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

Note Payable

\$2,200,000 promissory note in favor of the City of Pueblo, Colorado; interest at prime; presently anticipated due date is April, 2021; collateralized by land with a carrying value of \$529,620 \$ 2,109,699

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ -	\$ 51,425	\$ 51,425
2015	-	68,566	68,566
2016	-	68,566	68,566
2017	-	68,566	68,566
2018	-	68,566	68,566
2019-2021	<u>2,109,699</u>	<u>154,273</u>	<u>2,263,972</u>
	<u>\$ 2,109,699</u>	<u>\$ 479,962</u>	<u>\$ 2,589,661</u>

**H. NET POSITION**

Restricted net position represents net position whose uses are subject to constraints that are either (1) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2013 is as follows:

	<u>Governmental Activities</u>	<u>Pueblo Urban Renewal Authority</u>
Tabor	\$ 2,600,000	\$ -
Economic development	68,173,201	480,992
Debt service and district projects	-	3,675,679
Capital projects	8,025,627	-
Public safety	315,597	-
Public works	2,606,111	-
Parks and recreation	861,923	-
Culture and community welfare	<u>5,802,839</u>	<u>-</u>
	<u>\$ 88,385,298</u>	<u>\$ 4,156,671</u>

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

*Restricted for tabor* – This represents approximately 3% of the City’s 2013 fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the City’s net position can be used for declared emergencies only and the City must maintain 3% or more of its fiscal year spending in this restricted account.

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

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

The Pueblo Urban Renewal Authority (the Authority) discretely-presented component unit reports \$3,675,679 of net position restricted for debt service and capital projects. These restrictions generally arise from bond and debt covenants, along with specific restrictions imposed on individual tax increment financing districts created by the Authority. In addition, the Authority reports \$480,992 as restricted for economic development which represents limitations on net position as a result of an agreement with the state of Colorado as it relates to regional tourism projects.

**I. FUND BALANCES**

At December 31, 2013, fund balances for governmental funds consist of the following:

	Governmental Activities						<u>Total</u>
	<u>General Fund</u>	Economic Development ½ Cent <u>Tax Fund</u>	HUD Grants <u>Fund</u>	Public Improvements <u>Fund</u>	Capital Improvement <u>Fund</u>	Other Governmental <u>Funds</u>	
Fund Balances –							
Nonspendable –							
Inventories	\$ 35,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,732
Prepaid items	259,561	-	-	-	-	-	259,561
Long-term fund advances	1,444,646	-	-	-	-	-	1,444,646
Restricted –							
Tabor	2,600,000	-	-	-	-	-	2,600,000
Economic development incentives	-	68,173,201	-	-	-	-	68,173,201
Low and moderate income assistance	-	-	4,927,387	-	-	208,505	5,135,892
Transportation planning	-	-	-	102,826	-	-	102,826
Streets, highways and bridges	-	-	-	-	-	2,331,816	2,331,816

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)**

	<u>Governmental Activities</u>						<u>Total</u>
	<u>General</u> <u>Fund</u>	Economic Development ½ Cent <u>Tax Fund</u>	HUD Grants <u>Fund</u>	Public Improvements <u>Fund</u>	Capital Improvement <u>Fund</u>	Other Governmental <u>Funds</u>	
Police and fire assistance	-	-	-	-	-	315,597	315,597
Parks and recreation projects	-	-	-	-	-	861,923	861,923
Waste and other disposal	-	-	-	-	-	2,024,682	2,024,682
District maintenance	-	-	-	-	-	171,469	171,469
Cemetery maintenance	-	-	-	-	-	666,947	666,947
Capital projects	-	-	22,762	2,214,441	3,117,089	646,633	6,000,945
Committed –							
Minimum reserve	7,689,825	-	-	-	-	-	7,689,825
Capital projects	-	-	-	-	104,831	-	104,831
Assigned -							
Subsequent years' expenditures	184,418	-	-	-	-	-	184,418
Year-end sales and use tax receivable	5,309,864	-	-	-	-	-	5,309,864
Capital projects	-	-	-	-	2,840,112	-	2,840,112
Parks and recreation projects	-	-	-	-	747,000	-	747,000
Donor specified projects	-	-	-	-	-	113,797	113,797
Unassigned	<u>37,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,137</u>
<b>TOTAL FUND BALANCES</b>	<u>\$17,561,183</u>	<u>\$68,173,201</u>	<u>\$ 4,950,149</u>	<u>\$ 2,317,267</u>	<u>\$ 6,809,032</u>	<u>\$ 7,341,389</u>	<u>\$107,152,221</u>

City Council has committed 10% of total general fund expenditures and transfers not including on-behalf payments of \$11,280,056 as a minimum reserve for major unanticipated emergencies.

As previously reported in Note IC, the City changed the availability period from 60 days to 120 days for its government-mandated nonexchange transactions that are generally classified as expenditure-driven grants. This change became effective for the year ended December 31, 2013. The effect of this change was to decrease change in fund balance for the year ended December 31, 2013 as follows:

HUD grants fund	<u>\$ 105,108</u>
Public improvements fund	\$ 231,446
Capital improvement fund	\$ 20,132
Other governmental funds	\$ 23,103

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**IV. OTHER NOTE DISCLOSURES**

**A. RISK MANAGEMENT**

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

The City has elected to self-insure for workmen's compensation with a specific retention risk of \$550,000 in 2013. Claims and insurance costs are recognized as expenses in the internal service fund and totaled \$2,107,015 for the year ended December 31, 2013. At December 31, 2013, the actuarially determined loss reserve for self-insured workmen's compensation claims totaled \$1,734,751 which represents the discounted present value of expected losses using a discount rate assumption of 3% and includes claims incurred but not yet reported. Changes in this claims liability for the years ended December 31, 2013 and 2012 are as follows:

	<u>Year Ended December 31</u>	
	<u>2013</u>	<u>2012</u>
Estimated claims liability, January 1	\$ 1,631,480	\$ 513,159
Current year claims and changes in estimates	1,315,879	2,392,099
Current year payments	(1,212,608)	(1,273,778)
Estimated claims liability, December 31	<u>\$ 1,734,751</u>	<u>\$ 1,631,480</u>

Employee health claims are covered by commercial insurance. The City's share of the cost is charged to each general fund department or fund, as applicable. In addition, settlement claims for each of the last three years did not exceed insurance coverage amounts in areas where commercial insurance is used to cover the risk of loss.

**CITY OF PUEBLO, COLORADO**  
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**IV. OTHER NOTE DISCLOSURES (Cont'd.)**

**B. PENSION PLANS**

The City participates in various retirement plans as follows:

Fire and Police Pension Association (FPPA)

The Fire and Police Pension Association (FPPA) was created by Colorado statute effective January 1, 1980. Beginning January 1, 1981, the fiduciary responsibilities of investment, accountability and custody of both the City's fire and police pension funds were transferred to FPPA. The terms of the state-wide plan differentiate between those hired before April 8, 1978 (old hires) and those hired after April 8, 1978 (new hires). The plan stipulates that all full-time paid firemen and policemen are covered by the death and disability provisions of the plan (OPEB plan) and all new hires are covered by the retirement provisions of the state-wide plan. The old hires have the option of being covered by the retirement provisions of the state-wide plan or the retirement provisions of the old plans. As such, the following disclosures are presented as old-hire fire, old-hire police, and new-hire fire and police. These plans represent three of the retirement plans in which the City participates.

OLD HIRE FIRE AND OLD HIRE POLICE

Description of Plans - The City of Pueblo, Colorado contributes to the old-hire fire plan and the old-hire police plan which are defined benefit pension plans affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the plans are commingled for investment purposes in the Fire and Police Members' Benefit Fund, an agent, multiple-employer defined benefit pension plan administered by FPPA as outlined by Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended. The plan provides retirement benefits for members and beneficiaries according to the provisions of the plans as enacted and governed by the City of Pueblo and FPPA. FPPA issues a publicly available financial report that includes the assets of the City of Pueblo's old-hire fire plan and old-hire police plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado, 80111, or by calling FPPA at 770-3772 in the Denver metro area, or 1-800-332-3772 from outside the metro area.

Funding Policy and Annual Pension Cost - The Board of Trustees of each plan establishes and may amend the contribution requirements of plan members and the City. The City's annual pension cost for the current year and related information for each plan is as follows:

	<u>Old-Hire Fire Plan</u>	<u>Old-Hire Police Plan</u>
Contribution rates -		
City	1,311.40%	1,040.32%
Plan members	8.00%	10.00%
Annual pension cost -		
Annual required contribution	\$ 2,889,497	\$ 1,721,259
Interest on net pension obligation	428,768	(123,891)
Annual required contribution adjustment	<u>(707,133)</u>	<u>174,397</u>
	<u>\$ 2,611,132</u>	<u>\$ 1,771,765</u>

**CITY OF PUEBLO, COLORADO**  
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**IV. OTHER NOTE DISCLOSURES (Cont'd.)**

	<u>Old-Hire Fire Plan</u>	<u>Old-Hire Police Plan</u>
Net pension (obligation) asset -		
Balance, January 1, 2013	\$ (5,710,750)	\$ 1,651,875
Annual pension cost	(2,611,132)	(1,771,765)
Contributions made	<u>12,315,100</u>	<u>1,721,259</u>
Balance, December 31, 2013	<u>\$ 3,993,218</u>	<u>\$ 1,601,369</u>

Included above in contributions made for the old-hire fire plan is a \$11,280,056 contribution made by the state of Colorado. This amount has been recognized both as an intergovernmental revenue and a public safety expenditure in the general fund and governmental activities as on-behalf payments in accordance with generally accepted accounting principles.

The net pension asset of the old-hire police plan and the old-hire fire plan is included with other assets in the statement of net position.

	<u>Old-Hire Fire Plan</u>	<u>Old-Hire Police Plan</u>
Contributions made	\$12,315,100	\$1,721,259
Actuarial valuation date	January 1, 2012	January 1, 2012
Actuarial cost method	Entry age normal method	Entry age normal method
Amortization method	Level dollar open	Level dollar open
Remaining amortization period	13 years	17 years
Asset valuation method	Three year moving average of expected and actual market value	Three year moving average of expected and actual market values
Actuarial assumptions -		
Investment rate of return*	7.50%	7.50%
Projected salary increases*	4.00%	4.00%
*Includes inflation at	3.00%	3.00%
Cost-of-living adjustments	3.50%	3.50%

**CITY OF PUEBLO, COLORADO**  
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**IV. OTHER NOTE DISCLOSURES (Cont'd.)**

Three-Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension (Obligation) Asset</u>
Old Hire Fire Plan	December 31, 2011	2,749,500	37.64%	(4,557,655)
	December 31, 2012	2,598,268	55.62%	(5,710,750)
	December 31, 2013	2,611,132	471.64%	3,993,218
Old Hire Police Plan	December 31, 2011	1,801,237	97.08%	1,772,583
	December 31, 2012	1,869,395	93.54%	1,651,875
	December 31, 2013	1,771,765	97.15%	1,601,369

Schedule of Funded Status

	(a)	(b)	(b) – (a) = (c)	(a) ÷ (b)	(e)	(c) ÷ (e) Unfunded Actuarial Liability as a Percentage of Covered Payroll
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Actuarial Liability as a Percentage of Covered Payroll</u>
<u>Old-Hire Fire Plan</u>						
1/1/12	\$ 30,103,852	\$ 54,408,550	\$ 24,304,698	55.32%	\$ 76,922	31,596.54%
<u>Old-Hire Police Plan</u>						
1/1/12	\$ 54,483,182	\$ 71,337,041	\$ 16,853,859	76.37%	\$ 203,899	8,266.19%

The schedules of funding progress that are presented as required supplementary information following the notes to the financial statements present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**CITY OF PUEBLO, COLORADO**  
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**IV. OTHER NOTE DISCLOSURES (Cont'd.)**

**NEW HIRE FIRE AND POLICE**

The City of Pueblo contributes to the statewide, cost-sharing, multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The statewide defined benefit plan provides retirement benefits for members and beneficiaries. All full-time paid police officers/firefighters of the City of Pueblo hired after April 7, 1978 are members of the statewide defined benefit plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available financial report that includes the statewide defined benefit plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado, 80111, or by calling FPPA at 770-3772 in the Denver metro area or 1-800-332-3772 from outside the metro area.

Plan members and the City of Pueblo are required to contribute at a rate set by statute. The contribution requirements of plan members and the City of Pueblo are established under Title 31, Article 30, part 10 of the CRS, as amended. The contribution rate for members is 8% of covered salary and for the City of Pueblo the contribution rate is also 8% of covered salary. The City of Pueblo's contributions to the statewide benefit plan for the years ending December 31, 2013, 2012, and 2011 were \$1,570,861, \$1,574,489 and \$1,615,640, equal to their required contributions for each year.

**PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION (PERA)**

The City of Pueblo contributes, on behalf of all full-time employees except firemen and uniformed police, to the local government division trust fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by PERA. LGDTF provides retirement, disability, and death benefits for members or their beneficiaries. All employees of the City of Pueblo, except those identified above, are members of LGDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for LGDTF. That report may be obtained at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado, 80203, or calling PERA's infoline at 1-800-759-7372.

The City of Pueblo is required to contribute member and employer contributions at a rate set by statute. The contribution requirements for plan members and the City of Pueblo are established under Title 24, Article 51, part 4 of the CRS as amended. The contribution rate for members is 8.0% and for the City of Pueblo it is 10.0% of covered salary. A portion of the City of Pueblo's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund. The City of Pueblo is also required to pay an amortization equalization disbursement (AED) equal to 2.20% of the total payroll for the calendar year 2013 (2.20% of total payroll for the calendar year 2012 and 2.20% of total payroll for the calendar year 2011). Additionally, the City of Pueblo is required to pay a supplemental amortization equalization disbursement (SAED) equal to 1.50% of the total payroll for the calendar year 2013 (1.50% of total payroll for the calendar year 2012 and 1.50% of total payroll for the calendar year 2011). If the City of Pueblo

**CITY OF PUEBLO, COLORADO**  
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**IV. OTHER NOTE DISCLOSURES (Cont'd.)**

rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay the employer contribution rate, the AED and the SAED on the amounts paid for the retiree; however, no member contributions are required. For the years ended December 31, 2013, 2012 and 2011, the City of Pueblo's employer contributions to the LGDTF were \$2,616,816, \$2,676,056, and \$2,635,297, equal to their required contributions for each year.

401(k) PLAN

LGDTF members of the City of Pueblo may voluntarily contribute to the Voluntary Investment Program (401(k) plan), an Internal Revenue Code Section 401(k) deferred contribution plan administered by PERA. Plan participation is voluntary and contributions are separate from others made to PERA. Title 24, Article 51, part 14 of the CRS as amended assigns the authority to establish the 401(k) plan provisions to the State legislature. PERA issues a publically available annual report for Colorado PERA's 401(k) plan and defined contribution plans. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 1-800-759-7372.

The 401(k) plan is funded by voluntary contributions up to the maximum limit set by the IRS. The contribution requirements for the City of Pueblo are established under Title 24, Article 51, Section 1402 of the CRS. For the year ended December 31, 2013, the 401(k) plan member contributions were \$341,315.

SECTION 457 PLANS

The City previously established two Internal Revenue Code (IRC) Section 457 plans. The provisions of both plans were modified to incorporate subsection (g) of IRC Section 457 which provides that the assets held in Section 457 plans are for the benefit of participants. As such, the financial position of the two plans have not been included in the accompanying financial statements in accordance with generally accepted accounting principles. The City of Pueblo made \$3,570 of contributions to the Section 457 plans for the year ended December 31, 2013.

**C. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

POLICE OFFICERS AND FIREMEN PLANS

*Description of Plans* – The City provides post-employment health, dental care and vision benefits to uniformed police officers, firemen and their covered eligible dependents under single-employer, defined benefit plans. All post-employment benefits are based on contractual agreements with employee groups and eligibility is based on years of service and/or minimum age.

*Funding Policy* – The annual required contribution (ARC) is based on projected pay-as-you-go financing requirements that reflect implicit rate subsidies. For the year ended December 31, 2013, the City contributed \$111,634 to the plan maintained for firemen and \$134,506 to the plan maintained for police officers.

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**IV. OTHER NOTE DISCLOSURES (Cont'd.)**

*Annual OPEB Cost and Net OPEB Obligation* – the City’s OPEB cost (expense) is calculated based on annual required contributions (ARC) which is an amount determined on an actuarially determined basis in accordance with the parameters outlined by generally accepted accounting principles. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table reports the components of the City’s OPEB costs for the year ended December 31, 2013, the amounts actually contributed to the plan and the changes in the City’s net OPEB obligation:

	<u>Police Officers’ Plan</u>	<u>Firemen’s Plan</u>
Annual required contribution	\$ 459,610	\$ 374,863
Interest on net OPEB obligation	38,207	32,471
Adjustment to annual required contribution	<u>(58,342)</u>	<u>(49,582)</u>
Annual OPEB cost (expense)	439,475	357,752
Contributions made	<u>(134,506)</u>	<u>(111,634)</u>
Increase in net OPEB obligation	304,969	246,118
Net OPEB obligation, beginning of year	<u>1,091,637</u>	<u>927,744</u>
Net OPEB obligation, end of year	<u>\$ 1,396,606</u>	<u>\$ 1,173,862</u>

Three-Year Trend Information

	<u>Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net OPEB (Obligation)</u>
Police Officers’ Plan	December 31, 2011	305,067	49.94%	(810,876)
	December 31, 2012	420,500	33.23%	(1,091,637)
	December 31, 2013	439,475	30.61%	(1,396,606)
Firemen’s Plan	December 31, 2011	266,732	45.58%	(685,362)
	December 31, 2012	342,066	29.14%	(927,744)
	December 31, 2013	357,752	31.21%	(1,173,862)

**CITY OF PUEBLO, COLORADO**  
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**V. OTHER NOTE DISCLOSURES (Cont'd.)**

*Funded Status and Funding Progress* – The funded status of the plans as of January 1, 2013 is as follows:

	(a)	(b)	(a) – (b) = (c)	(a) ÷ (b)	(d)	(c) ÷ (d) Unfunded Actuarial Liability as a Percentage of Covered Payroll
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Liability	Funded Ratio	Annual Covered Payroll	
<u>Police Officers' Plan</u>						
1/1/13	\$ _____ -	\$ <u>3,923,597</u>	\$ <u>3,923,597</u>	0.00%	\$ <u>14,261,159</u>	<u>27.51%</u>
<u>Firemen's Plan</u>						
1/1/13	\$ _____ -	\$ <u>3,208,999</u>	\$ <u>3,208,999</u>	0.00%	\$ <u>9,939,984</u>	<u>32.28%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events occurring far into the future. Examples include assumptions about future employment, mortality and health cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress that are presented as required supplementary information following the notes to the financial statements present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

*Actuarial Methods and Assumptions* – Projections of benefits for financial reporting purposes are based on the substantive plans (the plans as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculation.

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**V. OTHER NOTE DISCLOSURES (Cont'd.)**

The data presented in the schedules of funding progress were determined as part of the actuarial valuation at the date indicated. Additional information for all plans as of the latest valuation date is as follows:

	<u>Police Officers Plan</u>	<u>Firemen's Plan</u>
Valuation date	January 1, 2013	January 1, 2013
Actuarial cost method	Projected unit credit	Projected unit credit
Amortization method	Level dollar open	Level dollar open
Remaining amortization period	30 years	30 years
Asset valuation method	Fair value	Fair value
Investment rate of return	3.50%	3.50%
Healthcare inflation rate		
Initial (medical)	11.0%	11.0%
Ultimate (medical)	5.0%	3.0%
Initial (dental)	5.0%	Benefit not available
Ultimate (dental)	5.0%	Benefit not available

The healthcare cost inflation rates reported above include a 2.5% general inflation rate assumption.

**NEW HIRE FIRE AND POLICE DEATH AND DISABILITY**

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

Plan members and the City of Pueblo are required to contribute at a rate set by statute. The contribution requirements of plan members and the City of Pueblo are established under Title 31, Article 30, part 10 of the CRS, as amended. The contribution rate for new-hire police members is 0.00% of covered salary and for the City of Pueblo the contribution rate is 2.60% of covered salary. The contribution rate for new-hire fire members is .10% of covered salary and for the City of Pueblo the contribution rate is 2.50% of covered salary. The City of Pueblo's contributions to the statewide death and disability plan for the years ended December 31, 2013, 2012 and 2011 were \$360,565, \$349,250 and \$334,724, equal to their required contributions for each year.

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**V. OTHER NOTE DISCLOSURES (Cont'd.)**

**GENERAL SERVICE EMPLOYEES**

The City contributes to the Health Care Trust Fund (HCTF), a cost-sharing, multiple-employer postemployment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA-participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, part 12 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish the HCTF benefit provisions to the state legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained at [www.copera.org](http://www.copera.org) or by writing to PERA of Colorado, 1301 Pennsylvania Street, Denver, Colorado, 80203, or by calling PERA at 1-800-759-7372.

The City is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute and no member contributions are required. The contribution requirements for the City are established under Title 24, Article 51, part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, section 208 of the CRS, as amended. For the years ended December 31, 2013, 2012 and 2011, the City's employer contributions to the HCTF were \$195,144, \$199,239, and \$231,000, equal to their required contributions for each year.

**D. OTHER REPORTING ENTITY DISCLOSURES**

**JOINT VENTURES**

**PUEBLO REGIONAL BUILDING DEPARTMENT**

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

**PUEBLO CITY-COUNTY HEALTH DEPARTMENT**

The Pueblo City-County Health Department is also a joint venture between the City of Pueblo and the County of Pueblo. The Department was created in 1952 for the purpose of providing public health care services to the residents of the city and county. A portion of the Department's revenues are composed of subsidies from the City of Pueblo and County of Pueblo, with the City's totaling \$757,350 for 2013. The governing body of the Department is composed of five members, two of which are appointed by the City of Pueblo, two are appointed by the County of Pueblo, and one member is jointly appointed.

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**V. OTHER NOTE DISCLOSURES (Cont'd.)**

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

**HISTORIC ARKANSAS RIVERWALK AUTHORITY**

The City is a participant with the County of Pueblo (the County), the Pueblo Urban Renewal Authority (PURA), the Pueblo Conservancy District (the District) and the Board of Water Works (the Board) in a joint venture known as the Historic Arkansas Riverwalk Authority (the Authority). The Authority's purpose is to promote, manage, supervise, operate, develop and maintain the Historic Arkansas Riverwalk Project (HARP). The governing body is composed of seven members, two of which are appointed by the City, while each of the other participants appoints one member and one member is appointed by the majority vote of an appointment committee composed of five persons who are appointed by each of the governing bodies of the parties. A portion of the Authority's revenues are composed of subsidies from the City of Pueblo and the County of Pueblo, with the City's totaling \$225,000 for 2013.

The Authority is required to submit an annual budget to each of the participants, except the Board. The budget is to include a specific line item for each participant's subsidy, except the Board's. The governing body of each participant, in its sole discretion, shall approve such budgeted specific line item for appropriation to the Authority in an amount equal to, greater or lesser than the amount contained in the annual plan and budget. Complete financial statements for the Authority can be obtained from their administrative office located at 101 S. Union, Pueblo, Colorado.

**JOINTLY GOVERNED ORGANIZATION**

**PUEBLO AREA COUNCIL OF GOVERNMENTS (PACOG)**

PACOG was formed in 1971 to serve as an interlocal advisory board through which local government entities may be aided in dealing with issues of common interest that transcend geographic borders to include a comprehensive regional planning process. PACOG's governing body is composed of 15 members, of which 7 are City Council members. The City's accountability is limited to making these appointments. During 2013, the City appropriated \$93,991 to PACOG.

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**V. OTHER NOTE DISCLOSURES (Cont'd.)**

RELATED ORGANIZATION

PUEBLO HOUSING AUTHORITY

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

**E. COMMITMENTS AND CONTINGENCIES**

LEASING ARRANGEMENTS

In conjunction with the extension and payment of the obligations of Pueblo Main Street Garage Corporation (the Corporation), the City and the Corporation entered into an amended garage lease agreement dated December, 2013. The yearly payments are subject to annual appropriation by City Council and do not constitute a general obligation or other indebtedness of the City within the meaning of any constitutional, statutory or charter limitation or any mandatory obligation of the City in any ensuing fiscal year beyond the fiscal year during which this lease is in effect. The following is a schedule by year of the future minimum lease payments through the termination date of December 31, 2016:

<u>Year Ending December 31,</u>	
2014	\$ 94,010
2015	94,010
2016	<u>94,010</u>
	<u>\$ 282,030</u>

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

<u>Year Ending December 31,</u>	
2014	\$ 112,850
2015	116,500
2016	120,130
2017	124,000
2018	116,000
2019-2023	634,400
2024-2026	<u>435,802</u>
	<u>\$ 1,659,682</u>

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**IV. OTHER NOTE DISCLOSURES (Cont'd.)**

**OTHER COMMITMENTS**

As part of an agreement with the Young Men's Christian Association (YMCA), the City committed to contribute to the YMCA a total of \$2,000,000 payable in equal installments of \$200,000 per year for 10 years beginning in 2008. This contribution was made to the YMCA as part of their capital campaign and the yearly payment is subject to annual appropriation by City Council. The City's 2013 installment was reduced to \$100,000 but no modification to the original commitment has been authorized by City Council.

Encumbrances are commitments related to unperformed (executory) contracts for goods and services. Encumbrances outstanding at December 31, 2013 are not accounted for an expenditures and liabilities but are included in fund balance. Encumbrances outstanding at December 31, 2013 for governmental funds are as follows:

General fund	\$ 57,493
Economic development ½ cent tax fund	411,525
HUD grants fund	269,277
Public improvement fund	880,928
Capital improvement fund	16,055
Other governmental funds	<u>339,712</u>
	<u>\$ 1,974,990</u>

The City entered into an agreement with Black Hills Energy/Colorado Electric Utility relating to the installation and inspection of new energy-saving street lights. It is presently anticipated that the total cost of this project to the City will approximate 5.9 million dollars.

During 2013, City Council, by resolution, authorized the City to accept ownership and maintenance of certain state of Colorado roadways. This authorization was in conjunction with the submission of applications for approximately 62.4 million dollars in state and federal funding for highway construction and improvements. The City Council also committed a cash contribution of 1.2 million dollars over a period of four years as part of this effort.

**ARBITRAGE LIABILITY**

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

**CITY OF PUEBLO, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**IV. OTHER NOTE DISCLOSURES (Cont'd.)**

GRANTS AND OTHER

The City participates in a number of federal and state-assisted grant programs. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audit could become a liability of the City. In the opinion of management, however, any such disallowed claims would not have a material effect on the financial statements as of and for the year ended December 31, 2013.

LEGAL DEBT MARGIN

The amount of general obligation long-term debt that can be incurred by the City is limited by the charter. General obligation debt can't exceed 10% of assessed valuation. At December 31, 2013, the debt limit was \$105,683,145 and the debt margin was \$102,933,145.

OTHER ITEMS

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

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF PUEBLO, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts		Actual Budget Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Taxes	\$ 61,816,929	\$ 61,881,929	\$ 61,218,071	\$ (663,858)
Licenses and permits	595,550	595,550	603,249	7,699
Intergovernmental	1,961,000	1,986,000	2,188,018	202,018
Charges for services	3,636,907	3,636,907	3,745,124	108,217
Fines and forfeits	2,296,160	2,296,160	1,849,081	(447,079)
Other revenue	313,800	303,800	498,793	194,993
Transfers in	4,536,065	4,546,065	4,410,961	(135,104)
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>75,156,411</u>	<u>75,246,411</u>	<u>74,513,297</u>	<u>(733,114)</u>
EXPENDITURES AND OTHER FINANCING USES				
Current -				
General government	9,913,995	9,893,408	9,163,210	730,198
Public safety -				
Police	26,787,316	26,787,316	26,234,171	553,145
Fire	15,323,232	15,610,232	15,545,432	64,800
Public works	7,862,363	7,799,996	7,572,925	227,071
Parks and recreation	4,768,235	4,762,035	4,670,056	91,979
Nondepartmental	4,661,173	5,002,208	4,856,943	145,265
Transfers out	6,889,989	7,168,246	6,855,505	312,741
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>76,206,303</u>	<u>77,023,441</u>	<u>74,898,242</u>	<u>2,125,199</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1,049,892)	(1,777,030)	(384,945)	1,392,085
FUND BALANCE, January 1	<u>1,049,892</u>	<u>1,777,030</u>	<u>11,436,430</u>	<u>9,659,400</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>11,051,485</u>	<u>\$ 11,051,485</u>
Adjustment from budgetary basis to generally accepted accounting principles -				
Accrued sales tax and franchise tax			5,309,864	
Advance to other funds			1,248,704	
Unrealized loss on investments			(48,870)	
Fund balance - generally accepted accounting principles			<u>\$ 17,561,183</u>	

**CITY OF PUEBLO, COLORADO**  
**RECONCILIATION OF THE BUDGETARY BASIS OF ACCOUNTING**  
**TO GAAP BASIS OF ACCOUNTING**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2013**

BUDGETARY BASIS

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

REVENUES AND OTHER FINANCING SOURCES

Actual amounts (budgetary basis) of revenues and other financing sources from the budgetary comparison schedule	\$ 74,513,297
Differences - budget to GAAP	
Accrued sales tax and franchise tax, beginning of year	(4,825,928)
Accrued sales tax and franchise tax, end of year	5,309,864
Transfer treated as reduction of fund advance	(100,000)
On-behalf pension contributions	11,280,056
Unrealized loss on investments	<u>(48,870)</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES \$ 86,128,419

EXPENDITURES AND OTHER FINANCING USES

Actual amounts (budgetary basis) of expenditures and other financing uses from the budgetary comparison schedule	\$ 74,898,242
Differences - budget to GAAP	
On-behalf pension contributions	11,280,056
Satisfaction of economic development incentive	<u>2,000,000</u>

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES \$ 88,178,298

**CITY OF PUEBLO, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**ECONOMIC DEVELOPMENT 1/2 CENT TAX FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Budget Basis</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>REVENUES</b>				
Interest earnings	\$ 100,000	\$ 100,000	\$ 277,576	\$ 177,576
Rents and other revenue	450,000	450,000	1,470,321	1,020,321
Sales and use taxes	6,894,156	6,894,156	7,021,430	127,274
TOTAL REVENUES	<u>7,444,156</u>	<u>7,444,156</u>	<u>8,769,327</u>	<u>1,325,171</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Current -				
Programs/projects	7,071,060	23,587,016	2,755,293	20,831,723
Capital outlay	-	1,696,604	1,342,961	353,643
Transfers out	373,096	573,096	373,097	199,999
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>7,444,156</u>	<u>25,856,716</u>	<u>4,471,351</u>	<u>21,385,365</u>
NET CHANGE IN FUND BALANCE	-	(18,412,560)	4,297,976	22,710,536
FUND BALANCE, January 1	<u>-</u>	<u>18,412,560</u>	<u>39,372,860</u>	<u>20,960,300</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	43,670,836	<u>\$ 43,670,836</u>
Adjustment from budgetary basis to generally accepted accounting principles -				
Notes and loans receivable			24,832,177	
Unrealized loss on investments			<u>(329,812)</u>	
Fund balance - generally accepted accounting principles			<u>\$ 68,173,201</u>	

**CITY OF PUEBLO, COLORADO**  
**RECONCILIATION OF THE BUDGETARY BASIS OF ACCOUNTING**  
**TO GAAP BASIS OF ACCOUNTING**  
**ECONOMIC DEVELOPMENT 1/2 CENT TAX FUND**  
**YEAR ENDED DECEMBER 31, 2013**

BUDGETARY BASIS

Explanation of differences between budgetary revenues and GAAP revenues,  
together with budgetary expenditures and GAAP expenditures

REVENUES

Actual amounts (budgetary basis) of revenues from the budgetary comparison schedule	\$ 8,769,327
Differences - budget to GAAP	
Loan payments received	(548,293)
Unrealized losses on investments	<u>(329,812)</u>

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 7,891,222</u>
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EXPENDITURES AND OTHER FINANCING USES

Actual amounts (budgetary basis) of expenditures and other financing uses from the budgetary comparison schedule	\$ 4,471,351
Differences	
Loans made during the year	(2,384,281)
Loan modification	1,390,000
Credits awarded to loan recipients for meeting established employment targets	3,334,568
Change in the allowance for uncollectible loans	<u>144,422</u>

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	<u>\$ 6,956,060</u>
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**CITY OF PUEBLO, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**HUD GRANTS FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts		Actual Budget Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Intergovernmental	\$ 1,782,853	\$ 1,876,642	\$ 1,321,111	\$ (555,531)
Loan payments	50,000	125,000	57,766	(67,234)
Other	-	-	217,054	217,054
Transfers in	108,757	54,505	-	(54,505)
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,941,610	2,056,147	1,595,931	(460,216)
EXPENDITURES AND OTHER FINANCING USES				
Current -				
Programs/projects	1,481,610	5,629,593	824,272	4,805,321
Capital outlay	-	1,910,510	571,545	1,338,965
Transfers out	460,000	902,112	192,487	709,625
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,941,610	8,442,215	1,588,304	6,853,911
NET CHANGE IN FUND BALANCE	-	(6,386,068)	7,627	6,393,695
FUND BALANCE, January 1	-	6,386,068	1,056,647	(5,329,421)
FUND BALANCE, December 31	\$ -	\$ -	1,064,274	\$ 1,064,274
Adjustment from budgetary basis to generally accepted accounting principles -				
Loans and other receivables			3,906,543	
Inventory of property held for resale			84,440	
Deferred inflows of resources related to grants			(105,108)	
Fund balance - generally accepted accounting principles			\$ 4,950,149	

**CITY OF PUEBLO, COLORADO**  
**RECONCILIATION OF THE BUDGETARY BASIS OF ACCOUNTING**  
**TO GAAP BASIS OF ACCOUNTING**  
**HUD GRANTS FUND**  
**YEAR ENDED DECEMBER 31, 2013**

BUDGETARY BASIS

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

REVENUES AND OTHER FINANCING SOURCES

Actual amounts (budgetary basis) of revenues and other financing sources from the budgetary comparison schedule	\$ 1,595,931
Differences - budget to GAAP	
Loan payments and other revenue received	(57,768)
Deferred inflows of resources related to grants	(105,108)
	(162,876)

GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	\$ <u>1,433,055</u>
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EXPENDITURES AND OTHER FINANCING USES

Actual amounts (budgetary basis) of expenditures and other financing uses from the budgetary comparison schedule	\$ 1,588,304
Differences - budget to GAAP	
Inventory and other expenditures	736,256
	736,256

GAAP BASIS EXPENDITURES AND OTHER FINANCING USES	\$ <u>2,324,560</u>
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**CITY OF PUEBLO, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**PUBLIC IMPROVEMENTS FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Budget Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES AND OTHER FINANCING SOURCES				
Intergovernmental	\$ 458,478	\$ 9,440,519	\$ 2,229,319	\$ (7,211,200)
Interest earnings	-	110	24	(86)
Other	-	242,400	174,748	(67,652)
Transfers in	-	337,569	339,221	1,652
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>458,478</u>	<u>10,020,598</u>	<u>2,743,312</u>	<u>(7,277,286)</u>
EXPENDITURES				
Current -				
Programs/projects	458,478	2,489,480	778,761	1,710,719
Capital outlay	-	10,389,904	2,261,782	8,128,122
TOTAL EXPENDITURES	<u>458,478</u>	<u>12,879,384</u>	<u>3,040,543</u>	<u>9,838,841</u>
NET CHANGE IN FUND BALANCE	-	(2,858,786)	(297,231)	2,561,555
FUND BALANCE, January 1	-	2,858,786	2,845,944	(12,842)
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	2,548,713	<u>\$ 2,548,713</u>
Adjustment from budgetary basis to generally accepted accounting principles -				
Deferred inflows of resources related to grants			<u>(231,446)</u>	
Fund balance - generally accepted accounting principles			<u>\$ 2,317,267</u>	

**CITY OF PUEBLO, COLORADO**  
**RECONCILIATION OF THE BUDGETARY BASIS OF ACCOUNTING**  
**TO GAAP BASIS OF ACCOUNTING**  
**PUBLIC IMPROVEMENTS FUND**  
**YEAR ENDED DECEMBER 31, 2013**

BUDGETARY BASIS

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

REVENUES AND OTHER FINANCING SOURCES

Actual amounts (budgetary basis) of revenues and other financing sources from the budgetary comparison schedule	\$ 2,743,312
Differences - budget to GAAP	
Deferred inflows of resources related to grants	<u>(231,446)</u>
GAAP BASIS REVENUES AND OTHER FINANCING SOURCES	<u>\$ 2,511,866</u>

**CITY OF PUEBLO, COLORADO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2013**

**BUDGETARY INFORMATION**

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

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

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation ordinance. The City Manager may at any time transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same department, office or agency. The Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department, office or agency to another. City Council may amend the original adopted budget during the year by passing a new ordinance to reflect current needs. During 2013, the expenditure estimates were amended. These amendments were made in accordance with the City Charter.

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

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

**CITY OF PUEBLO, COLORADO  
SCHEDULE OF FUNDING PROGRESS  
OLD HIRE FIRE PENSION PLAN  
DECEMBER 31, 2013**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(a)÷(b) Funded Ratio	(b)-(a) Unfunded ALL (UAAL)	(c) Covered Payroll	(a)-(b)÷(c) UAAL as a Percentage of Covered Payroll
1/1/12	\$ 30,103,852	\$ 54,408,550	55.32%	\$ 24,304,698	\$ 76,922	31,596.54%
1/1/10	\$ 35,856,681	\$ 58,592,753	61.20%	\$ 22,736,072	\$ 172,931	13,147.48%
1/1/08	\$ 43,485,494	\$ 61,269,101	70.97%	\$ 17,783,607	\$ 147,859	12,027.41%
1/1/06	\$ 39,440,157	\$ 60,113,366	65.61%	\$ 20,673,209	\$ 128,390	16,101.89%
1/1/04	\$ 38,496,723	\$ 58,888,830	65.37%	\$ 20,392,107	\$ 177,836	11,466.81%
1/1/02	\$ 46,920,986	\$ 59,677,926	78.62%	\$ 12,756,940	\$ 2,323,228	549.10%
1/1/00	\$ 43,966,294	\$ 51,357,650	85.61%	\$ 7,391,356	\$ 2,058,627	358.87%
1/1/98	\$ 35,638,151	\$ 48,341,786	73.72%	\$ 12,703,635	\$ 2,138,168	594.14%

**CITY OF PUEBLO, COLORADO  
SCHEDULE OF FUNDING PROGRESS  
OLD HIRE POLICE PENSION PLAN  
DECEMBER 31, 2013**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(a)÷(b) Funded Ratio	(b)-(a) Unfunded AAL (UAAL)	(c) Covered Payroll	(a)-(b)÷(c) UAAL as a Percentage of Covered Payroll
1/1/12	\$ 54,483,182	\$ 71,337,041	76.37%	\$ 16,853,859	\$ 203,889	8,266.19%
1/1/10	\$ 59,312,147	\$ 75,091,121	78.99%	\$ 15,778,974	\$ 612,210	2,577.38%
1/1/08	\$ 69,063,985	\$ 78,066,907	88.47%	\$ 9,002,922	\$ 750,595	1,199.44 %
1/1/06	\$ 61,440,365	\$ 79,806,433	76.99%	\$ 18,366,068	\$ 931,032	1,972.66 %
1/1/04	\$ 57,183,196	\$ 76,710,726	74.54%	\$ 19,527,530	\$ 1,156,815	1,688.04 %
1/1/02	\$ 70,929,469	\$ 74,902,358	94.69%	\$ 3,972,889	\$ 1,635,452	242.92 %
1/1/00	\$ 70,396,777	\$ 64,141,725	91.11%	\$ (6,255,052)	\$ 2,874,163	(217.63)%
1/1/98	\$ 59,604,889	\$ 47,317,687	79.39%	\$ (12,287,202)	\$ 3,146,033	(390.56)%

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF FUNDING PROGRESS**  
**FIRE OTHER POST EMPLOYMENT BENEFIT PLAN**  
**DECEMBER 31, 2013**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(a)÷(b) Funded Ratio	(b)-(a) Unfunded AAL (UAAL)	(c) Covered Payroll	(a)-(b)÷(c) UAAL as a Percentage of Covered Payroll
1/1/13	\$ -	\$ 3,208,999	0.00%	\$ 3,208,999	\$ 9,939,984	32.27%
1/1/12	\$ -	\$ 3,008,092	0.00%	\$ 3,008,092	\$ 9,650,470	31.17%
1/1/11	\$ -	\$ 2,214,369	0.00%	\$ 2,214,369	\$ 8,928,236	24.80%
1/1/10	\$ -	\$ 2,084,953	0.00%	\$ 2,084,953	\$ 8,491,751	24.55%
1/1/08	\$ -	\$ 2,489,537	0.00%	\$ 2,489,537	\$ 8,068,723	30.85%

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF FUNDING PROGRESS**  
**POLICE OTHER POST EMPLOYMENT BENEFIT PLAN**  
**DECEMBER 31, 2013**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(a)÷(b) Funded Ratio	(b)-(a) Unfunded AAL (UAAL)	(c) Covered Payroll	(a)-(b)÷(c) UAAL as a Percentage of Covered Payroll
1/1/13	\$ -	\$ 3,923,597	0.00%	\$ 3,923,597	\$ 14,261,159	27.51%
1/1/12	\$ -	\$ 3,694,314	0.00%	\$ 3,694,314	\$ 13,845,785	26.68%
1/1/11	\$ -	\$ 2,660,509	0.00%	\$ 2,660,509	\$ 13,527,475	19.67%
1/1/10	\$ -	\$ 2,523,158	0.00%	\$ 2,523,158	\$ 14,072,581	17.93%
1/1/08	\$ -	\$ 3,222,952	0.00%	\$ 3,222,952	\$ 12,280,662	26.24%

**SUPPLEMENTAL INFORMATION**

**CITY OF PUEBLO, COLORADO**  
**EXPLANATION OF FUNDS**  
**DECEMBER 31, 2013**

**NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are restricted or committed to expenditure for particular purposes.

Intergovernmental – This fund is used to account for the collection and disbursement of revenues received from other governmental agencies to be used for specific purposes. Revenues received in this fund include: Highway User’s Tax Fund (HUTF) monies which may only be used for the construction, improvement, or maintenance of the streets and roadways within the City; Conservation Trust Funds (CTF) are received from the Colorado state lottery and are restricted for parks and open space related projects; property seized from persons convicted of certain crimes is received from law enforcement agencies and must be used only for specific law enforcement purposes; proceeds from property seized in federal narcotic law enforcement activities pursuant to a federal revenue sharing agreement which are restricted to law enforcement purposes.

Special Charges – This fund is used to account for the collection and disbursement of revenues received from special fees and charges to be used for specific purposes. Revenues include: E-911 telephone charges assessed against telephone lines to be used to purchase and maintain enhanced 911 equipment and related activities; a special tipping fee assessed at the Southside landfill for the purpose of monitoring environmental conditions and future remediation, if necessary; a solid waste surcharge on tipping fees at all solid waste disposal sites to be used for solid waste management purposes; and a sales tax collection fee which is restricted to the debt service of the Memorial Hall series 2011A and series 2011B bonds issued by Pueblo Urban Renewal Authority (PURA) in 2011, along with the operations and debt service of the convention center operated by PURA.

Stimulus Grants – This fund is used to account for the collection of revenues received from the American Reinvestment and Recovery Act (ARRA).

Southpointe Special District – This fund is used to account for the collection of revenues from a mill levy on property within the district. The revenues are restricted for the maintenance of certain public improvements of general benefit to the residents of the district and may include open space, trails, paths, landscaping, fencing, pillars, street medians, entry islands, utility rights of way, irrigation facilities, water system improvements, a theme area, and signage.

Bandera Blvd. Special District – This fund is used to account for the collection of revenues from a mill levy on property within the district. The revenues are restricted for the maintenance of certain public improvements of general benefit to the residents of the district and may include open space, trails, paths, landscaping, fencing, pillars, street medians, entry islands, utility rights of way, irrigation facilities, water system improvements, a theme area, and signage.

**CITY OF PUEBLO, COLORADO**  
**EXPLANATION OF FUNDS (Cont'd.)**  
**DECEMBER 31, 2013**

North Gateway BID – This fund is used to account for the collection of new sales taxes generated by the commercial development within the business improvement district. The revenues are to be used for the construction of certain infrastructure within the district.

North Gateway PIF – This fund is used to account for collection of revenues generated from the imposition of a public improvement fee by the property owners on all sales that occur within the boundaries of North Gateway BID. Revenues collected from this fee are restricted for the construction of certain additional public improvements within the North Gateway BID.

Other Special Revenue – This fund is used to account for the collection and disbursement of miscellaneous special revenues which are restricted to expenditure for specific purposes. The fund includes revenues received from the Mountain View Cemetery Endowment to be used for the purpose of gravesite maintenance at the City-owned cemetery; miscellaneous contributions and donations to be expended in accordance with donor wishes; revenues and interest earnings on the Pueblo Beautiful Endowment to be used for the beautification of the City; and proceeds from the sale of lots located on the Historic Arkansas Riverwalk of Pueblo to be used solely for the commercial development of the Riverwalk.

**CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned for capital outlays, including the acquisition and construction of capital facilities and other capital assets but excludes those types of capital-related outflows financed by proprietary funds.

Historic Arkansas River Project – This fund accounts for revenues and expenditures relating to the construction and development of the Historic Arkansas Riverwalk. The initial phases of this project were financed through the issuance of limited tax general obligation bonds, with later phases financed through private donations and various grants.

Police Building – This fund accounts for the construction and equipping of a new police building headquarters, along with other public safety facilities. The revenue for this fund originated in 2006 as a payment in lieu of taxes received from Xcel Energy as an economic development incentive. In 2008, Pueblo Municipal Building Corporation (PMBC) issued certificates of participation totaling \$20,625,000 which were reported as another financing source in this fund.

**DEBT SERVICE FUND**

The debt service fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for principal and interest on general obligation debt, certificates of participation and capital leases of governmental funds.

**CITY OF PUEBLO, COLORADO**  
**EXPLANATION OF FUNDS (Cont'd.)**  
**DECEMBER 31, 2013**

**PROPRIETARY FUNDS**

NONMAJOR ENTERPRISE FUNDS

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation), of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Honor farm – This fund is used to account for the recreational activities that are conducted at the facility known as the “Honor farm”. All activities necessary to provide such services are accounted for in this fund.

Transportation Services – This fund is used to account for the provision of public bus service to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

Parking Facilities – This fund is used to account for the operation of public parking facilities located throughout the City. All activities necessary to provide such services are accounted for in this fund.

Memorial Hall – This fund is used to account for the activities that are held at Memorial Hall. The facility is managed by a third party as part of an agreement with the City. All activities necessary to provide such services are accounted for in this fund except debt service because the bonds that were issued to improve and upgrade the facility were issued by Pueblo Urban Renewal Authority.

INTERNAL SERVICE FUND

The internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other entities on a cost reimbursement basis.

Internal Service Fund – This fund accounts for the costs of the City’s self-insured workmen’s compensation plan, together with the City’s property and casualty risk management activities which is accounted for through the City’s membership in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). This fund also is used to account for the repair of motor vehicles and other related costs of all vehicles owned by the City. The vehicles and equipment maintained are acquired by the various user departments which are responsible for the financing of replacement vehicles as necessary. The fund also accounts for costs of the City’s telephone system with departments of the City being charged a proportionate share of the costs.

Pueblo Transit – This fund accounts for the provision of labor services to the City’s transportation services enterprise fund in operating the public bus system. These services are provided by employees of a separate, not-for-profit corporation known as Pueblo Transit.

**CITY OF PUEBLO, COLORADO**  
**EXPLANATION OF FUNDS (Cont'd.)**  
**DECEMBER 31, 2013**

**FIDUCIARY FUND**

**AGENCY FUND**

The agency fund accounts for assets held by the City as an agent for individuals, private entities and/or other governments. Generally, the agency fund accounts for the accumulation of deposits of real estate developers of various subdivisions throughout the City and amounts paid by citizens and held on deposit in accordance with council-adopted ordinances.

**NONMAJOR  
GOVERNMENTAL  
FUNDS**

**CITY OF PUEBLO, COLORADO  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
DECEMBER 31, 2013**

	Special Revenue Funds			
	Inter- governmental	Special Charges	Stimulus Grants	Southpointe Special District
<b>ASSETS</b>				
Investments	\$ 2,349,050	\$ 2,633,715	\$ -	\$ 83,520
Restricted investments	-	-	-	-
Taxes receivable, net	-	-	-	17,384
Due from other funds	-	612,207	-	-
Receivable from other governments	23,575	-	373,337	-
Other receivables	3,754	435,844	-	224
Inventories	-	-	231,608	-
	<u>\$ 2,376,379</u>	<u>\$ 3,681,766</u>	<u>\$ 604,945</u>	<u>\$ 101,128</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities -				
Accounts payable	\$ 21,475	\$ 310,435	\$ 145,206	\$ 87
Due to other funds	15,253	-	228,131	561
Total liabilities	<u>36,728</u>	<u>310,435</u>	<u>373,337</u>	<u>648</u>
Deferred inflows of resources	<u>-</u>	<u>176,964</u>	<u>23,103</u>	<u>17,384</u>
Fund balances -				
Nonspendable	-	-	-	-
Restricted	2,339,651	3,194,367	208,505	83,096
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>2,339,651</u>	<u>3,194,367</u>	<u>208,505</u>	<u>83,096</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
	<u>\$ 2,376,379</u>	<u>\$ 3,681,766</u>	<u>\$ 604,945</u>	<u>\$ 101,128</u>

Bandera Blvd. Special District	Special Revenue Funds			Capital Projects Funds			Total Other Governmental Funds
	North Gateway BID	North Gateway PIF	Other Special Revenue	Historic Arkansas River Project	Police Building	Debt Service	
\$ 86,850	\$ -	\$ -	\$ 867,253	\$ -	\$ -	\$ -	\$ 6,020,388
-	-	-	-	-	24,822	-	24,822
19,073	-	-	-	-	-	-	36,457
-	18,697	17,262	-	169,544	398,275	-	1,215,985
-	-	-	-	-	-	-	396,912
243	34,165	34,632	95	-	-	-	508,957
-	-	-	-	-	-	-	231,608
<u>\$ 106,166</u>	<u>\$ 52,862</u>	<u>\$ 51,894</u>	<u>\$ 867,348</u>	<u>\$ 169,544</u>	<u>\$ 423,097</u>	<u>\$ -</u>	<u>\$ 8,435,129</u>
\$ 52	\$ 51,153	\$ 51,894	\$ 18,144	\$ -	\$ -	\$ -	\$ 598,446
377	-	-	14,448	-	-	-	258,770
<u>429</u>	<u>51,153</u>	<u>51,894</u>	<u>32,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>857,216</u>
19,073	-	-	-	-	-	-	236,524
-	-	-	-	-	-	-	-
86,664	1,709	-	720,959	169,544	423,097	-	7,227,592
-	-	-	-	-	-	-	-
-	-	-	113,797	-	-	-	113,797
-	-	-	-	-	-	-	-
<u>86,664</u>	<u>1,709</u>	<u>-</u>	<u>834,756</u>	<u>169,544</u>	<u>423,097</u>	<u>-</u>	<u>7,341,389</u>
<u>\$ 106,166</u>	<u>\$ 52,862</u>	<u>\$ 51,894</u>	<u>\$ 867,348</u>	<u>\$ 169,544</u>	<u>\$ 423,097</u>	<u>\$ -</u>	<u>\$ 8,435,129</u>

**CITY OF PUEBLO, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**OTHER GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	Special Revenue Funds			
	Inter- governmental	Special Charges	Stimulus Grants	Southpointe Special District
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 17,024
Sales and miscellaneous taxes	-	1,677,301	-	1,259
Intergovernmental	5,505,142	-	918,099	-
Charges for services	-	1,187,624	-	-
Investment earnings	(2,395)	(3,250)	-	(42)
Miscellaneous	-	-	278,380	-
<b>TOTAL REVENUES</b>	<u>5,502,747</u>	<u>2,861,675</u>	<u>1,196,479</u>	<u>18,241</u>
<b>EXPENDITURES</b>				
Current -				
Public safety	36,048	64,775	5,578	-
Public works	905,880	-	43,949	-
Parks and recreation	14,815	-	-	10,450
Culture & community welfare	-	1,677,301	1,212,512	-
Debt service -				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	798,738	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,755,481</u>	<u>1,742,076</u>	<u>1,262,039</u>	<u>10,450</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>3,747,266</u>	<u>1,119,599</u>	<u>(65,560)</u>	<u>7,791</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	146,337	-	-	-
Transfers out	(4,954,384)	(962,000)	(150,215)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(4,808,047)</u>	<u>(962,000)</u>	<u>(150,215)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,060,781)	157,599	(215,775)	7,791
<b>FUND BALANCES, January 1</b>	<u>3,400,432</u>	<u>3,036,768</u>	<u>424,280</u>	<u>75,305</u>
<b>FUND BALANCES, December 31</b>	<u>\$ 2,339,651</u>	<u>\$ 3,194,367</u>	<u>\$ 208,505</u>	<u>\$ 83,096</u>

Bandera Blvd. Special District	Special Revenue Funds			Capital Projects Funds			Total Other Governmental Funds
	North Gateway BID	North Gateway PIF	Other Special Revenue	Historic Arkansas River Project	Police Building	Debt Service	
\$ 19,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,600
1,449	-	-	-	-	-	-	1,680,009
-	-	-	-	-	-	-	6,423,241
-	-	-	-	-	-	-	1,187,624
2	-	-	225	-	9	-	(5,451)
-	230,374	232,369	46,205	-	-	-	787,328
<u>21,027</u>	<u>230,374</u>	<u>232,369</u>	<u>46,430</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>10,109,351</u>
-	-	-	6,997	-	-	-	113,398
-	218,854	220,751	-	-	-	-	1,389,434
15,528	-	-	80,827	-	-	-	121,620
-	-	-	740	-	-	-	2,890,553
-	-	-	-	-	-	2,536,229	2,536,229
-	-	-	-	-	-	1,204,852	1,204,852
-	-	-	-	-	43,034	-	841,772
<u>15,528</u>	<u>218,854</u>	<u>220,751</u>	<u>88,564</u>	<u>-</u>	<u>43,034</u>	<u>3,741,081</u>	<u>9,097,858</u>
<u>5,499</u>	<u>11,520</u>	<u>11,618</u>	<u>(42,134)</u>	<u>-</u>	<u>(43,025)</u>	<u>(3,741,081)</u>	<u>1,011,493</u>
-	-	-	-	-	5,782	3,741,081	3,893,200
-	(11,558)	(11,618)	-	-	(4)	-	(6,089,779)
-	(11,558)	(11,618)	-	-	5,778	3,741,081	(2,196,579)
5,499	(38)	-	(42,134)	-	(37,247)	-	(1,185,086)
<u>81,165</u>	<u>1,747</u>	<u>-</u>	<u>876,890</u>	<u>169,544</u>	<u>460,344</u>	<u>-</u>	<u>8,526,475</u>
<u>\$ 86,664</u>	<u>\$ 1,709</u>	<u>\$ -</u>	<u>\$ 834,756</u>	<u>\$ 169,544</u>	<u>\$ 423,097</u>	<u>\$ -</u>	<u>\$ 7,341,389</u>

**SPECIAL  
REVENUE  
FUNDS**

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**INTERGOVERNMENTAL FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
	<u>Final</u>	<u>Basis</u>	<u>(Negative)</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Intergovernmental	\$ 5,066,426	\$ 5,505,142	\$ 438,716
Interest earnings	5,500	15,147	9,647
Transfers in	<u>62,000</u>	<u>146,337</u>	<u>84,337</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>5,133,926</u>	<u>5,666,626</u>	<u>532,700</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Current -			
Programs/projects	1,653,279	956,743	696,536
Capital outlay	1,696,418	798,738	897,680
Transfers out	<u>4,955,389</u>	<u>4,954,384</u>	<u>1,005</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>8,305,086</u>	<u>6,709,865</u>	<u>1,595,221</u>
NET CHANGE IN FUND BALANCE	(3,171,160)	(1,043,239)	2,127,921
FUND BALANCE, January 1	<u>3,171,160</u>	<u>3,400,432</u>	<u>229,272</u>
FUND BALANCE, December 31	<u>\$ -</u>	2,357,193	<u>\$ 2,357,193</u>
Adjustment from budgetary basis to generally accepted accounting principles -			
Unrealized loss on investments		<u>(17,542)</u>	
Fund balance - generally accepted accounting principles		<u>\$ 2,339,651</u>	

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SPECIAL CHARGES FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted</u> <u>Amounts</u> <u>Final</u>	<u>Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>			
Charges for services	\$ 1,030,000	\$ 1,187,624	\$ 157,624
Vendor's fees	1,673,955	1,677,301	3,346
Interest earnings	<u>7,000</u>	<u>16,417</u>	<u>9,417</u>
TOTAL REVENUES	<u>2,710,955</u>	<u>2,881,342</u>	<u>170,387</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Current -			
Programs/projects	1,759,613	1,742,076	17,537
Capital outlay	162,639	-	162,639
Transfers out	<u>962,000</u>	<u>962,000</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>2,884,252</u>	<u>2,704,076</u>	<u>180,176</u>
NET CHANGE IN FUND BALANCE	(173,297)	177,266	350,563
FUND BALANCE, January 1	<u>173,297</u>	<u>3,036,768</u>	<u>2,863,471</u>
FUND BALANCE, December 31	<u>\$ -</u>	3,214,034	<u>\$ 3,214,034</u>
Adjustment from budgetary basis to generally accepted accounting principles -			
Unrealized losses on investments		<u>(19,667)</u>	
Fund balance - generally accepted accounting principles		<u>\$ 3,194,367</u>	

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**STIMULUS GRANTS FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
	<u>Final</u>	<u>Basis</u>	<u>(Negative)</u>
REVENUES			
Intergovernmental	\$ 1,504,453	\$ 941,202	\$ (563,251)
Other	-	278,380	278,380
TOTAL REVENUES	<u>1,504,453</u>	<u>1,219,582</u>	<u>(284,871)</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	1,917,713	1,200,576	717,137
Capital outlay	575,733	-	575,733
Transfers out	-	150,215	(150,215)
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>2,493,446</u>	<u>1,350,791</u>	<u>1,142,655</u>
NET CHANGE IN FUND BALANCE	(988,993)	(131,209)	857,784
FUND BALANCE, January 1	<u>988,993</u>	<u>131,209</u>	<u>(857,784)</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Adjustment from budgetary basis to generally accepted accounting principles -			
Inventory		231,608	
Deferred inflows of resources related to grants		<u>(23,103)</u>	
Fund balance - generally accepted accounting principles		<u>\$ 208,505</u>	

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SOUTH POINTE SPECIAL DISTRICT**  
**YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts Final</u>	<u>Actual Budget Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Property and other taxes	\$ 17,230	\$ 18,283	\$ 1,053
Interest earnings	<u>-</u>	<u>582</u>	<u>582</u>
<b>TOTAL REVENUES</b>	<u>17,230</u>	<u>18,865</u>	<u>1,635</u>
<b>EXPENDITURES</b>			
Current -			
Programs/projects	<u>29,300</u>	<u>10,450</u>	<u>18,850</u>
<b>TOTAL EXPENDITURES</b>	<u>29,300</u>	<u>10,450</u>	<u>18,850</u>
<b>NET CHANGE IN FUND BALANCE</b>	(12,070)	8,415	20,485
<b>FUND BALANCE, January 1</b>	<u>12,070</u>	<u>75,305</u>	<u>63,235</u>
<b>FUND BALANCE, December 31</b>	<u>\$ -</u>	83,720	<u>\$ 83,720</u>
Adjustment from budgetary basis to generally accepted accounting principles -			
Unrealized loss on investments		<u>(624)</u>	
<b>Fund balance - generally accepted accounting principles</b>		<u>\$ 83,096</u>	

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**BANDERA BLVD. SPECIAL DISTRICT**  
**YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts Final</u>	<u>Actual Budget Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Property and other taxes	\$ 19,874	\$ 21,025	\$ 1,151
Interest earnings	-	651	651
TOTAL REVENUES	<u>19,874</u>	<u>21,676</u>	<u>1,802</u>
<b>EXPENDITURES</b>			
Current -			
Programs/projects	<u>110,635</u>	<u>15,528</u>	<u>95,107</u>
TOTAL EXPENDITURES	<u>110,635</u>	<u>15,528</u>	<u>95,107</u>
 NET CHANGE IN FUND BALANCE	 (90,761)	 6,148	 96,909
 FUND BALANCE, January 1	 <u>90,761</u>	 <u>81,165</u>	 <u>(9,596)</u>
 FUND BALANCE, December 31	 <u><u>\$ -</u></u>	 87,313	 <u><u>\$ 87,313</u></u>
 Adjustment from budgetary basis to generally accepted accounting principles -			
Unrealized loss on investments		<u>(649)</u>	
 Fund balance - generally accepted accounting principles		 <u><u>\$ 86,664</u></u>	

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**NORTH GATEWAY BID**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
	<u>Final</u>	<u>Basis</u>	<u>(Negative)</u>
REVENUES			
Sales and use taxes	\$ 254,000	\$ 230,374	\$ (23,626)
TOTAL REVENUES	<u>254,000</u>	<u>230,374</u>	<u>(23,626)</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	241,300	218,854	22,446
Transfers out	<u>12,700</u>	<u>11,558</u>	<u>1,142</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>254,000</u>	<u>230,412</u>	<u>23,588</u>
NET CHANGE IN FUND BALANCE	-	(38)	(38)
FUND BALANCE, January 1	<u>-</u>	<u>1,747</u>	<u>1,747</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 1,709</u>	<u>\$ 1,709</u>

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**NORTH GATEWAY PIF**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
	<u>Final</u>	<u>Basis</u>	<u>(Negative)</u>
REVENUES			
Charges for services	\$ 250,000	\$ 232,369	\$ (17,631)
TOTAL REVENUES	<u>250,000</u>	<u>232,369</u>	<u>(17,631)</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Programs/projects	237,500	220,751	16,749
Transfers out	<u>12,500</u>	<u>11,618</u>	<u>882</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>250,000</u>	<u>232,369</u>	<u>17,631</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, January 1	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**OTHER SPECIAL REVENUE FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
	<u>Final</u>	<u>Basis</u>	<u>(Negative)</u>
<b>REVENUES</b>			
Contributions/donations	\$ 3,000	\$ 46,205	\$ 43,205
Interest earnings	5,100	671	(4,429)
TOTAL REVENUES	<u>8,100</u>	<u>46,876</u>	<u>38,776</u>
<b>EXPENDITURES</b>			
Current -			
Programs/projects	161,100	88,564	72,536
TOTAL EXPENDITURES	<u>161,100</u>	<u>88,564</u>	<u>72,536</u>
<b>NET CHANGE IN FUND BALANCE</b>	(153,000)	(41,688)	111,312
<b>FUND BALANCE, January 1</b>	<u>153,000</u>	<u>876,890</u>	<u>723,890</u>
<b>FUND BALANCE, December 31</b>	<u>\$ -</u>	835,202	<u>\$ 835,202</u>
Adjustment from budgetary basis to generally accepted accounting principles -			
Unrealized loss on investments		<u>(446)</u>	
<b>Fund balance - generally accepted accounting principles</b>		<u>\$ 834,756</u>	

**CAPITAL**

**PROJECTS**

**FUNDS**

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
	<u>Final</u>	<u>Basis</u>	<u>(Negative)</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Intergovernmental	\$ 3,039,599	\$ 103,303	\$ (2,936,296)
Interest	-	37,774	37,774
Other/issuance of capital lease	3,899	2,367,868	2,363,969
Transfer in	<u>2,374,773</u>	<u>1,723,734</u>	<u>(651,039)</u>
<b>TOTAL REVENUES AND OTHER     FINANCING SOURCES</b>	<u>5,418,271</u>	<u>4,232,679</u>	<u>(1,185,592)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Current -			
Programs/projects	1,748,931	193,144	1,555,787
Capital outlay	8,171,328	2,849,920	5,321,408
Transfers out	<u>72,464</u>	<u>94,801</u>	<u>(22,337)</u>
<b>TOTAL EXPENDITURES AND OTHER     FINANCING USES</b>	<u>9,992,723</u>	<u>3,137,865</u>	<u>6,854,858</u>
<b>NET CHANGE IN FUND BALANCE</b>	(4,574,452)	1,094,814	5,669,266
<b>FUND BALANCE, January 1</b>	<u>4,574,452</u>	<u>5,032,127</u>	<u>457,675</u>
<b>FUND BALANCE, December 31</b>	<u>\$ -</u>	6,126,941	<u>\$ 6,126,941</u>
Adjustment from budgetary basis to generally accepted accounting principles -			
Advance to other funds		747,000	
Deferred inflows of resources related to grants		(20,132)	
Unrealized loss on investments		<u>(44,777)</u>	
<b>Fund balance - generally accepted accounting principles</b>		<u>\$ 6,809,032</u>	

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**POLICE BUILDING FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts Final</u>	<u>Actual Budget Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Interest earnings	\$ -	\$ 9	\$ 9
Transfers in	<u>-</u>	<u>5,782</u>	<u>5,782</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>-</u>	<u>5,791</u>	<u>5,791</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Capital outlay	219,936	43,034	176,902
Transfers out	<u>-</u>	<u>4</u>	<u>(4)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>219,936</u>	<u>43,038</u>	<u>176,898</u>
<b>NET CHANGE IN FUND BALANCE</b>	(219,936)	(37,247)	182,689
<b>FUND BALANCE, January 1</b>	<u>219,936</u>	<u>460,344</u>	<u>240,408</u>
<b>FUND BALANCE, December 31</b>	<u><u>\$ -</u></u>	<u><u>\$ 423,097</u></u>	<u><u>\$ 423,097</u></u>

**DEBT  
SERVICE  
FUND**

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts Final</u>	<u>Actual Budget Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
OTHER FINANCING SOURCES			
Transfers in	\$ 3,741,641	\$ 3,741,081	\$ (560)
TOTAL OTHER FINANCING SOURCES	<u>3,741,641</u>	<u>3,741,081</u>	<u>(560)</u>
EXPENDITURES			
Debt service -			
Principal	2,465,650	2,536,229	(70,579)
Interest and fiscal charges	<u>1,275,991</u>	<u>1,204,852</u>	<u>71,139</u>
TOTAL EXPENDITURES	<u>3,741,641</u>	<u>3,741,081</u>	<u>560</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, January 1	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**CITY OF PUEBLO, COLORADO**  
**COMBINING STATEMENT OF NET POSITION**  
**OTHER ENTERPRISE FUNDS**  
**DECEMBER 31, 2013**

	Business-Type Activities-Enterprise Funds				
	Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	Total
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 73	\$ 775	\$ -	\$ 268,977	\$ 269,825
Investments	-	-	500,000	-	500,000
Accounts receivable, net	132	46,038	84,392	7,143	137,705
Due from other governments	-	519,602	-	-	519,602
Other receivables	-	-	799	-	799
Prepaid expenses	-	16,466	-	-	16,466
Inventories	-	270,177	-	-	270,177
<b>TOTAL CURRENT ASSETS</b>	<b>205</b>	<b>853,058</b>	<b>585,191</b>	<b>276,120</b>	<b>1,714,574</b>
<b>NONCURRENT ASSETS</b>					
Capital assets -					
Land	1,364,618	633,837	1,454,630	-	3,453,085
Land improvements	876,736	13,110	1,300,257	-	2,190,103
Other improvements	-	210,017	-	-	210,017
Buildings	357,047	3,061,787	3,189,960	10,915,280	17,524,074
Machinery and equipment	185,348	6,905,954	94,784	-	7,186,086
Less accumulated depreciation	(182,698)	(6,302,259)	(1,332,872)	(218,306)	(8,036,135)
Intangibles	-	1,478	-	-	1,478
<b>TOTAL CAPITAL ASSETS</b>	<b>2,601,051</b>	<b>4,523,924</b>	<b>4,706,759</b>	<b>10,696,974</b>	<b>22,528,708</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>2,601,051</b>	<b>4,523,924</b>	<b>4,706,759</b>	<b>10,696,974</b>	<b>22,528,708</b>
<b>TOTAL ASSETS</b>	<b>\$2,601,256</b>	<b>\$ 5,376,982</b>	<b>\$5,291,950</b>	<b>\$10,973,094</b>	<b>\$24,243,282</b>

Cont'd.

**CITY OF PUEBLO, COLORADO**  
**COMBINING STATEMENT OF NET POSITION**  
**OTHER ENTERPRISE FUNDS**  
**DECEMBER 31, 2013**

	Business-Type Activities-Enterprise Funds				
	Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	Total
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 3,932	\$ 157,793	\$ 59,455	\$ 52,655	\$ 273,835
Accrued expenses	-	122,533	-	-	122,533
Accrued interest payable	2,316	-	-	-	2,316
Due to other funds	1,075,626	614,263	2,575	343,002	2,035,466
Advances from others	-	-	12,865	92,727	105,592
Compensated absences	-	33,568	-	-	33,568
Capital lease obligation	33,487	-	-	-	33,487
TOTAL CURRENT LIABILITIES	1,115,361	928,157	74,895	488,384	2,606,797
<b>NONCURRENT LIABILITIES</b>					
Compensated absences	-	302,115	-	-	302,115
Capital lease obligation	104,199	-	-	-	104,199
Advance from other fund	747,000	-	-	-	747,000
TOTAL NONCURRENT LIABILITIES	851,199	302,115	-	-	1,153,314
TOTAL LIABILITIES	1,966,560	1,230,272	74,895	488,384	3,760,111
<b>NET POSITION</b>					
Net investment in capital assets	2,463,365	4,523,924	4,706,759	10,696,974	22,391,022
Unrestricted	(1,828,669)	(377,214)	510,296	(212,264)	(1,907,851)
TOTAL NET POSITION	\$ 634,696	\$ 4,146,710	\$5,217,055	\$10,484,710	\$20,483,171

Cont'd.

**CITY OF PUEBLO, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**OTHER ENTERPRISE FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	Business-Type Activities-Enterprise Funds				
	Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 13,720	\$ 848,700	\$ 221,538	\$ 306,500	\$ 1,390,458
<b>TOTAL OPERATING REVENUES</b>	<b>13,720</b>	<b>848,700</b>	<b>221,538</b>	<b>306,500</b>	<b>1,390,458</b>
<b>OPERATING EXPENSES</b>					
Personnel services	14,404	-	93,833	-	108,237
Contracted services	22,656	3,594,386	100,535	391,932	4,109,509
Utilities	2,656	622,190	19,535	17,887	662,268
Repairs and maintenance	16,475	185,566	148,186	-	350,227
Other supplies & expenses	14,246	198,266	498,572	118,205	829,289
Depreciation	58,993	814,070	85,944	218,306	1,177,313
<b>TOTAL OPERATING EXPENSES</b>	<b>129,430</b>	<b>5,414,478</b>	<b>946,605</b>	<b>746,330</b>	<b>7,236,843</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(115,710)</b>	<b>(4,565,778)</b>	<b>(725,067)</b>	<b>(439,830)</b>	<b>(5,846,385)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest and investment revenues	-	-	250	-	250
Operating grants and contributions	-	2,041,197	-	9,260	2,050,457
Gain (loss) on disposal of capital assets	(37,872)	871	-	-	(37,001)
Interest expense	(3,283)	-	-	-	(3,283)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(41,155)</b>	<b>2,042,068</b>	<b>250</b>	<b>9,260</b>	<b>2,010,423</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>(156,865)</b>	<b>(2,523,710)</b>	<b>(724,817)</b>	<b>(430,570)</b>	<b>(3,835,962)</b>
Capital contributions	-	280,774	-	10,915,280	11,196,054
Transfers in	-	1,718,466	573,267	-	2,291,733
<b>CHANGES IN NET POSITION</b>	<b>(156,865)</b>	<b>(524,470)</b>	<b>(151,550)</b>	<b>10,484,710</b>	<b>9,651,825</b>
<b>TOTAL NET POSITION, January 1</b>	<b>791,561</b>	<b>4,671,180</b>	<b>5,368,605</b>	<b>-</b>	<b>10,831,346</b>
<b>TOTAL NET POSITION, December 31</b>	<b>\$ 634,696</b>	<b>\$ 4,146,710</b>	<b>\$ 5,217,055</b>	<b>\$10,484,710</b>	<b>\$20,483,171</b>

**CITY OF PUEBLO, COLORADO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**OTHER ENTERPRISE FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	Business-Type Activities-Enterprise Funds				Total
	Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	15,088	809,490	229,492	392,084	1,446,154
Cash paid for goods and services	(105,589)	(4,689,429)	(716,684)	(475,369)	(5,987,071)
Cash paid to employees	(14,404)	-	(93,833)	-	(108,237)
Receipts for interfund services	144,891	158,277	3,377	343,002	649,547
<b>TOTAL CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>39,986</u>	<u>(3,721,662)</u>	<u>(577,648)</u>	<u>259,717</u>	<u>(3,999,607)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	-	1,718,466	573,267	-	2,291,733
Operating grants and contributions received	-	2,061,164	-	9,260	2,070,424
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>-</u>	<u>3,779,630</u>	<u>573,267</u>	<u>9,260</u>	<u>4,362,157</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	-	(294,186)	-	-	(294,186)
Capital contributions received	-	235,347	-	-	235,347
Principal paid on debt	(72,357)	-	-	-	(72,357)
Interest paid on debt	(2,901)	-	-	-	(2,901)
Sale of capital assets	35,272	871	-	-	36,143
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(39,986)</u>	<u>(57,968)</u>	<u>-</u>	<u>-</u>	<u>(97,954)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest earnings received	-	-	4,115	-	4,115
Maturity of investments	-	-	504,000	-	504,000
Acquisition of investments	-	-	(503,734)	-	(503,734)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>-</u>	<u>-</u>	<u>4,381</u>	<u>-</u>	<u>4,381</u>

Cont'd.

**CITY OF PUEBLO, COLORADO**  
**COMBINING STATEMENT OF CASH FLOWS (Cont'd.)**  
**OTHER ENTERPRISE FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	Business-Type Activities-Enterprise Funds				Total
	Honor Farm	Transportation Services	Parking Facilities	Memorial Hall	
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	-	-	268,977	268,977
CASH AND CASH EQUIVALENTS, January 1	73	775	-	-	848
CASH AND CASH EQUIVALENTS, December 31	\$ 73	\$ 775	\$ -	\$ 268,977	\$ 269,825
Reported in the accompanying combining statement of net position as follows:					
Cash and cash equivalents	\$ 73	\$ 775	\$ -	\$ 268,977	\$ 269,825
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	(115,710)	(4,565,778)	(725,067)	(439,830)	(5,846,385)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities -					
Depreciation	58,993	814,070	85,944	218,306	1,177,313
Change in assets and liabilities -					
Accounts receivable	1,368	(39,210)	9,739	(7,143)	(35,246)
Prepaid expenses	-	(3,860)	-	-	(3,860)
Due from other funds	-	-	802	-	802
Inventories	-	41,511	-	-	41,511
Accounts payable	(49,556)	(82,500)	50,144	52,655	(29,257)
Due to other funds	144,891	158,277	2,575	343,002	648,745
Advances from others	-	-	(1,785)	92,727	90,942
Accrued expenses	-	(44,172)	-	-	(44,172)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 39,986	\$ (3,721,662)	\$ (577,648)	\$ 259,717	\$ (3,999,607)
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contributions of capital assets	\$ -	\$ 45,427	\$ -	\$ 10,915,280	\$ 10,960,707
Unrealized loss on investments	\$ -	\$ -	\$ 3,734	\$ -	\$ 3,734

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ELMWOOD GOLF COURSE FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
	<u>Final</u>	<u>Basis</u>	<u>(Negative)</u>
REVENUES			
Charges for services	\$ 1,193,439	\$ 1,228,620	\$ 35,181
TOTAL REVENUES	<u>1,193,439</u>	<u>1,228,620</u>	<u>35,181</u>
EXPENDITURES AND OTHER FINANCING USES			
Current -			
Personnel services	36,250	30,362	5,888
Contractual services	435,994	434,805	1,189
Utilities	121,000	135,508	(14,508)
Repairs and maintenance	128,600	64,362	64,238
Other supplies and expenses	93,885	80,202	13,683
Capital outlay	30,000	36,180	(6,180)
Debt service -			
Principal	120,834	99,708	21,126
Interest and fees	6,844	2,014	4,830
Transfers out	<u>250,032</u>	<u>200,031</u>	<u>50,001</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>1,223,439</u>	<u>1,083,172</u>	<u>140,267</u>
NET CHANGE IN FUND BALANCE	<u>\$ (30,000)</u>	<u>\$ 145,558</u>	<u>\$ 175,448</u>

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**WALKING STICK GOLF COURSE FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
	<u>Final</u>	<u>Basis</u>	<u>(Negative)</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Charges for services	\$ 963,805	\$ 911,512	\$ (52,293)
Transfers in	<u>200,032</u>	<u>200,031</u>	<u>(1)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>1,163,837</u>	<u>1,111,543</u>	<u>(52,294)</u>
<b>EXPENDITURES</b>			
Current -			
Personnel services	37,482	39,141	(1,659)
Contractual services	391,641	368,628	23,013
Utilities	271,000	283,922	(12,922)
Repairs and maintenance	72,000	63,037	8,963
Other supplies and expenses	71,395	67,805	3,590
Capital outlay	39,053	-	39,053
Debt service -			
Principal	231,068	206,961	24,107
Interest and fees	<u>89,251</u>	<u>81,823</u>	<u>7,428</u>
TOTAL EXPENDITURES	<u>1,202,890</u>	<u>1,111,317</u>	<u>91,573</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (39,053)</u>	<u>\$ 226</u>	<u>\$ 39,279</u>

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SEWER USER FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
	<u>Final</u>	<u>Basis</u>	<u>(Negative)</u>
<b>REVENUES</b>			
Charges for services	\$ 13,627,561	\$ 14,355,943	\$ 728,382
Intergovernmental	1,080,000	-	(1,080,000)
Interest	50,000	139,411	89,411
<b>TOTAL REVENUES</b>	<u>14,757,561</u>	<u>14,495,354</u>	<u>(262,207)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Current -			
Personnel services	4,135,027	3,942,340	192,687
Contractual services	1,405,558	1,372,638	32,920
Utilities	787,416	858,968	(71,552)
Repairs and maintenance	6,710,702	3,232,007	3,478,695
Other supplies and expenses	1,405,340	851,845	553,495
Capital outlay	6,122,961	746,970	5,375,991
Debt service -			
Principal	1,462,619	1,459,821	2,798
Interest and fees	757,051	743,771	13,280
Transfers out	119,100	100,000	19,100
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>22,905,774</u>	<u>13,308,360</u>	<u>9,597,414</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (8,148,213)</u>	<u>\$ 1,186,994</u>	<u>\$ 9,335,207</u>

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**STORMWATER UTILITY FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts <u>Final</u>	Actual Budget <u>Basis</u>	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>			
Charges for services	\$ 2,750,000	\$ 3,253,081	\$ 503,081
Interest	5,000	9,193	4,193
<b>TOTAL REVENUES</b>	<u>2,755,000</u>	<u>3,262,274</u>	<u>507,274</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Current -			
Personnel services	1,278,364	1,239,588	38,776
Contractual services	685,061	681,619	3,442
Utilities	87,200	92,649	(5,449)
Repairs and maintenance	847,864	146,355	701,509
Other supplies and expenses	115,146	67,011	48,135
Capital outlay	827,683	846,932	(19,249)
Debt service -			
Principal	39,427	183,418	(143,991)
Interest and fees	6,123	6,544	(421)
Transfers out	112,000	124,000	(12,000)
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>3,998,868</u>	<u>3,388,116</u>	<u>610,752</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,243,868)</u>	<u>\$ (125,842)</u>	<u>\$ 1,118,026</u>

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MEMORIAL AIRPORT FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
	<u>Final</u>	<u>Basis</u>	<u>(Negative)</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Charges for services	\$ 640,452	\$ 601,048	\$ (39,404)
Intergovernmental	12,864,744	8,279,281	(4,585,463)
Interest and other	500	886	386
Transfers in	<u>1,064,096</u>	<u>851,130</u>	<u>(212,966)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>14,569,792</u>	<u>9,732,345</u>	<u>(4,837,447)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Current -			
Personnel services	759,551	748,702	10,849
Contractual services	220,264	221,847	(1,583)
Utilities	341,000	345,937	(4,937)
Repairs and maintenance	57,704	53,244	4,460
Other supplies and expenses	208,849	135,219	73,630
Capital outlay	21,399,400	8,545,190	12,854,210
Transfers out	<u>197,966</u>	<u>-</u>	<u>197,966</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>23,184,734</u>	<u>10,050,139</u>	<u>13,134,595</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (8,614,942)</u></u>	<u><u>\$ (317,794)</u></u>	<u><u>\$ 8,297,148</u></u>

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HONOR FARM FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
	<u>Final</u>	<u>Basis</u>	<u>(Negative)</u>
<b>REVENUES</b>			
Charges for services	\$ 307,516	\$ 13,720	\$ (293,796)
TOTAL REVENUES	<u>307,516</u>	<u>13,720</u>	<u>(293,796)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Current -			
Personnel services	163,051	14,404	148,647
Contractual services	29,972	22,656	7,316
Utilities	-	2,656	(2,656)
Repairs and maintenance	846,364	16,475	829,889
Other supplies and expenses	60,453	12,246	48,207
Capital outlay	161,740	-	161,740
Debt service -			
Principal	41,146	41,249	(103)
Interest and fees	2,894	2,901	(7)
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>1,305,620</u>	<u>112,587</u>	<u>1,193,033</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (998,104)</u>	<u>\$ (98,867)</u>	<u>\$ 899,237</u>

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION SERVICES FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
	<u>Final</u>	<u>Basis</u>	<u>(Negative)</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Charges for services	\$ 705,000	\$ 848,700	\$ 143,700
Intergovernmental	2,446,749	2,276,544	(170,205)
Other revenues	114,000	46,298	(67,702)
Transfers in	<u>1,827,512</u>	<u>1,718,466</u>	<u>(109,046)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>5,093,261</u>	<u>4,890,008</u>	<u>(203,253)</u>
<b>EXPENDITURES</b>			
Current -			
Personnel services	2,554,352	2,454,913	99,439
Contractual services	1,091,174	1,139,473	(48,299)
Utilities	555,511	622,190	(66,679)
Repairs and maintenance	198,706	185,566	13,140
Other supplies and expenses	203,877	198,266	5,611
Capital outlay	<u>608,836</u>	<u>294,186</u>	<u>314,650</u>
TOTAL EXPENDITURES	<u>5,212,456</u>	<u>4,894,594</u>	<u>317,862</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (119,195)</u>	<u>\$ (4,586)</u>	<u>\$ 114,609</u>

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PARKING FACILITIES FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
	<u>Final</u>	<u>Basis</u>	<u>(Negative)</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Charges for services	\$ 223,290	\$ 221,538	\$ (1,752)
Interest	-	4,115	4,115
Transfers in	<u>573,267</u>	<u>573,267</u>	<u>-</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>796,557</u>	<u>798,920</u>	<u>2,363</u>
<b>EXPENDITURES</b>			
Current -			
Personnel services	116,820	93,833	22,987
Contractual services	122,460	100,535	21,925
Utilities	57,610	19,535	38,075
Repairs and maintenance	271,450	148,186	123,264
Other supplies and expenses	<u>489,217</u>	<u>498,572</u>	<u>(9,355)</u>
TOTAL EXPENDITURES	<u>1,057,557</u>	<u>860,661</u>	<u>196,896</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (261,000)</u>	<u>\$ (61,741)</u>	<u>\$ 199,259</u>

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MEMORIAL HALL FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
	<u>Final</u>	<u>Basis</u>	<u>(Negative)</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Charges for services	\$ 268,038	\$ 306,500	\$ 38,462
Interest and other	-	9,260	9,260
Transfers in	74,964	-	(74,964)
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>343,002</u>	<u>315,760</u>	<u>(27,242)</u>
<b>EXPENDITURES</b>			
Current -			
Contractual services	196,606	391,932	(195,326)
Utilities	70,000	17,887	52,113
Repairs and maintenance	10,000	-	10,000
Other supplies and expenses	66,396	118,205	(51,809)
TOTAL EXPENDITURES	<u>343,002</u>	<u>528,024</u>	<u>(185,022)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (212,264)</u>	<u>\$ (212,264)</u>

**INTERNAL  
SERVICE  
FUNDS**

**CITY OF PUEBLO, COLORADO**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2013**

	<u>Internal Service Fund</u>	<u>Pueblo Transit</u>	<u>Total</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 300	\$ -	\$ 300
Restricted cash and cash equivalents	13,951	-	13,951
Investments	2,324,500	-	2,324,500
Accounts receivable, net	20,150	-	20,150
Due from other funds	21,822	-	21,822
Other receivables	3,715	-	3,715
Prepaid expenses	501,903	-	501,903
Inventories	290,717	-	290,717
<b>TOTAL CURRENT ASSETS</b>	<u>3,177,058</u>	<u>-</u>	<u>3,177,058</u>
<b>NET CURRENT ASSETS</b>			
Capital assets -			
Buildings	1,036,366	-	1,036,366
Machinery and equipment	1,419,816	-	1,419,816
Less accumulated depreciation	(1,630,291)	-	(1,630,291)
Total capital assets	<u>825,891</u>	<u>-</u>	<u>825,891</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>825,891</u>	<u>-</u>	<u>825,891</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,002,949</u>	<u>\$ -</u>	<u>\$ 4,002,949</u>

Cont'd.

**CITY OF PUEBLO, COLORADO**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2013**

	<u>Internal Service Fund</u>	<u>Pueblo Transit</u>	<u>Total</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 108,942	\$ -	\$ 108,942
Compensated absences	12,906	-	12,906
Claims and judgments	<u>1,270,000</u>	-	<u>1,270,000</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,391,848</u>	<u>-</u>	<u>1,391,848</u>
<b>NONCURRENT LIABILITIES</b>			
Compensated absences	116,154	-	116,154
Claims and judgments	<u>464,751</u>	-	<u>464,751</u>
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>580,905</u>	<u>-</u>	<u>580,905</u>
<b>TOTAL LIABILITIES</b>	<u>1,972,753</u>	<u>-</u>	<u>1,972,753</u>
<b>NET POSITION</b>			
Net investment in capital assets	825,891	-	825,891
Unrestricted	<u>1,204,305</u>	-	<u>1,204,305</u>
<b>TOTAL NET POSITION</b>	<u>\$ 2,030,196</u>	<u>\$ -</u>	<u>\$ 2,030,196</u>

**CITY OF PUEBLO, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	Internal Service Fund	Pueblo Transit	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 4,647,816	\$ 2,454,913	\$ 7,102,729
<b>TOTAL OPERATING REVENUES</b>	<u>4,647,816</u>	<u>2,454,913</u>	<u>7,102,729</u>
<b>OPERATING EXPENSES</b>			
Personnel expense	765,249	-	765,249
Contractual services	34,649	2,454,913	2,489,562
Utilities	34,262	-	34,262
Repairs and maintenance	52,136	-	52,136
Other supplies and expenses	1,843,348	-	1,843,348
Insurance claims and expenses	2,107,015	-	2,107,015
Depreciation	85,172	-	85,172
<b>TOTAL OPERATING EXPENSES</b>	<u>4,921,831</u>	<u>2,454,913</u>	<u>7,376,744</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(274,015)</u>	<u>-</u>	<u>(274,015)</u>
<b>NONOPERATING REVENUES</b>			
Interest and investment revenue	(3,680)	-	(3,680)
Gain on disposal of capital assets	1,883	-	1,883
<b>TOTAL NONOPERATING REVENUES</b>	<u>(1,797)</u>	<u>-</u>	<u>(1,797)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>			
	(275,812)	-	(275,812)
Capital contributions	12,536	-	12,536
Transfers in	319,690	-	319,690
<b>CHANGES IN NET POSITION</b>	<u>56,414</u>	<u>-</u>	<u>56,414</u>
<b>TOTAL NET POSITION, January 1</b>	<u>1,973,782</u>	<u>-</u>	<u>1,973,782</u>
<b>TOTAL NET POSITION, December 31</b>	<u>\$ 2,030,196</u>	<u>\$ -</u>	<u>\$ 2,030,196</u>

**CITY OF PUEBLO, COLORADO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	<u>Internal Service Fund</u>	<u>Pueblo Transit</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 4,718,128	\$ 2,454,913	\$ 7,173,041
Cash paid for goods and services	(4,216,867)	-	(4,216,867)
Cash paid to employees	(756,817)	(2,454,913)	(3,211,730)
Payments for interfund services	(178,575)	-	(178,575)
NET CASH (USED) BY OPERATING ACTIVITIES	<u>(434,131)</u>	<u>-</u>	<u>(434,131)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	<u>319,690</u>	<u>-</u>	<u>319,690</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>319,690</u>	<u>-</u>	<u>319,690</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Sale of capital assets	<u>1,883</u>	<u>-</u>	<u>1,883</u>
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>1,883</u>	<u>-</u>	<u>1,883</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest earnings received	14,435	-	14,435
Maturity of investments	2,424,500	-	2,424,500
Acquisition of investments	(2,341,859)	-	(2,341,859)
NET CASH (USED) BY INVESTING ACTIVITIES	<u>97,076</u>	<u>-</u>	<u>97,076</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,482)	-	(15,482)
CASH AND CASH EQUIVALENTS, January 1	<u>29,733</u>	<u>-</u>	<u>29,733</u>
CASH AND CASH EQUIVALENTS, December 31	<u>\$ 14,251</u>	<u>\$ -</u>	<u>\$ 14,251</u>

Cont'd.

**CITY OF PUEBLO, COLORADO**  
**COMBINING STATEMENT OF CASH FLOWS (Cont'd.)**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	<u>Internal Service Fund</u>	<u>Pueblo Transit</u>	<u>Total</u>
REPORTED IN THE ACCOMPANYING COMBINING STATEMENT OF NET ASSETS AS FOLLOWS:			
Cash and cash equivalents	\$ 300	\$ -	\$ 300
Restricted cash and cash equivalents	<u>13,951</u>	<u>-</u>	<u>13,951</u>
	<u>\$ 14,251</u>	<u>\$ -</u>	<u>\$ 14,251</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (274,015)	\$ -	\$ (274,015)
Adjustments to reconcile operating income (loss) to net cash (used) by operating activities -			
Depreciation	85,172	-	85,172
Change in assets and liabilities -			
Accounts receivable	70,312	-	70,312
Due from other funds	(21,822)	-	(21,822)
Prepaid expenses	(267,941)	-	(267,941)
Inventories	(37,360)	-	(37,360)
Accounts payable	56,573	-	56,573
Due to other funds	(156,753)	-	(156,753)
Accrued expenses	<u>111,703</u>	<u>-</u>	<u>111,703</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (434,131)</u>	<u>\$ -</u>	<u>\$ (434,131)</u>
SCHEDULE OF NONCASH INVESTING CAPITAL AND FINANCING ACTIVITIES			
Contributions of capital assets	<u>\$ 12,536</u>	<u>\$ -</u>	<u>\$ 12,536</u>
Unrealized loss on investments	<u>\$ 17,359</u>	<u>\$ -</u>	<u>\$ 17,359</u>

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**INTERNAL SERVICE FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts Final	Actual Budget Basis	Variance With Final Budget Positive (Negative)
	<u>Final</u>	<u>Basis</u>	<u>(Negative)</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Charges for services	\$ 4,926,500	\$ 4,647,816	\$ (278,684)
Interest and other	2,500	16,318	13,818
Transfers in	319,689	319,690	1
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>5,248,689</u>	<u>4,983,824</u>	<u>(264,865)</u>
<b>EXPENDITURES</b>			
Current -			
Personnel services	788,378	756,817	31,561
Contractual services	28,500	34,649	(6,149)
Utilities	43,000	34,262	8,738
Repairs and maintenance	71,786	52,136	19,650
Cost of merchandise	2,190,439	1,749,881	440,558
Other supplies and expenses	103,897	93,467	10,430
Insurance claims and expenses	2,342,189	2,271,685	70,504
Capital outlay	500	-	500
TOTAL EXPENDITURES	<u>5,568,689</u>	<u>4,992,897</u>	<u>575,792</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (320,000)</u>	<u>\$ (9,073)</u>	<u>\$ 310,927</u>

**AGENCY**

**FUND**

**CITY OF PUEBLO, COLORADO**  
**STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 220,562	\$ 5,105	\$ -	\$ 225,667
Accounts receivable	<u>1,599,066</u>	<u>854,842</u>	<u>136,433</u>	<u>2,317,475</u>
	<u>\$ 1,819,628</u>	<u>\$ 859,947</u>	<u>\$ 136,433</u>	<u>2,543,142</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 165,189	\$ 7,960	\$ 102,294	\$ 70,855
Deposits	<u>1,654,439</u>	<u>846,882</u>	<u>29,034</u>	<u>2,472,287</u>
	<u>\$ 1,819,628</u>	<u>\$ 854,842</u>	<u>\$ 131,328</u>	<u>\$ 2,543,142</u>

**STATISTICAL SECTION**

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>										
Net investment in capital assets	\$ 211,529,600	\$ 221,608,313	\$ 230,400,553	\$ 242,229,997	\$ 253,371,346	\$ 270,972,634	\$ 275,400,749	\$ 282,143,652	\$ 300,421,948	\$ 304,720,914
Restricted	52,028,591	53,614,404	64,894,325	73,238,734	88,686,068	69,256,542	65,864,287	93,697,144	88,835,861	88,385,298
Unrestricted	26,274,704	21,152,627	23,479,235	25,429,479	9,623,844	28,408,089	38,589,640	19,596,982	11,816,144	20,335,891
Total governmental activities net position	\$ 289,832,895	\$ 296,375,344	\$ 318,774,113	\$ 340,898,210	\$ 351,681,258	\$ 368,637,265	\$ 379,834,676	\$ 395,437,778	\$ 401,073,953	\$ 413,442,103
<b>Business-type activities</b>										
Net investment in capital assets	\$ 91,863,960	\$ 95,132,248	\$ 97,708,603	\$ 101,702,739	\$ 106,505,768	\$ 115,961,714	\$ 123,736,794	\$ 134,281,593	\$ 138,568,644	\$ 157,831,233
Restricted	6,498,028	6,101,716	8,027,822	9,877,471	12,079,718	14,180,545	17,522,178	18,277,323	19,267,977	19,818,953
Unrestricted	98,361,988	101,233,964	105,736,425	111,580,210	118,583,486	130,142,259	141,258,972	152,558,916	157,836,621	177,650,186
Total business-type activities net position	\$ 98,361,988	\$ 101,233,964	\$ 105,736,425	\$ 111,580,210	\$ 118,583,486	\$ 130,142,259	\$ 141,258,972	\$ 152,558,916	\$ 157,836,621	\$ 177,650,186
<b>Primary government</b>										
Net investment in capital assets	\$ 303,393,560	\$ 316,740,561	\$ 328,109,156	\$ 343,932,736	\$ 359,877,114	\$ 386,934,348	\$ 399,137,543	\$ 416,425,245	\$ 438,990,592	\$ 462,552,147
Restricted	52,028,591	53,614,404	64,894,325	73,238,734	88,686,068	69,256,542	65,864,287	93,697,144	88,835,861	88,385,298
Unrestricted	32,772,732	27,254,343	31,507,057	35,306,950	21,703,562	42,588,634	56,111,818	37,874,305	31,084,121	40,154,844
Total primary government net position	\$ 388,194,883	\$ 397,609,308	\$ 424,510,538	\$ 452,478,420	\$ 470,266,744	\$ 498,779,524	\$ 521,113,648	\$ 547,996,694	\$ 558,910,574	\$ 591,092,289

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities										
General government	\$ 8,827,301	\$ 7,815,931	\$ 8,285,288	\$ 8,750,144	\$ 10,266,329	\$ 11,256,849	\$ 11,126,432	\$ 11,663,415	\$ 11,063,544	\$ 13,800,967
Public safety	31,735,478	38,595,384	37,632,207	39,554,852	41,470,395	42,232,017	45,180,523	46,320,164	47,846,439	46,616,804
Public works	11,457,289	13,512,772	11,706,116	12,138,196	11,192,330	12,056,802	14,682,821	10,982,420	11,944,466	11,618,176
Culture and community welfare	6,986,296	5,664,845	5,057,256	7,671,252	9,110,212	7,713,219	8,880,083	9,841,081	13,253,542	11,504,623
Parks and recreation	4,765,996	4,674,168	6,131,025	5,109,138	4,808,532	4,668,002	5,213,738	5,361,632	6,372,059	5,722,667
Economic development	601,710	6,612,535	7,640,995	3,966,266	8,321,122	2,197,779	3,608,000	2,003,481	3,380,770	4,931,043
Interest on long-term debt	811,306	765,371	452,713	387,198	646,741	1,555,782	1,451,423	1,580,077	1,264,491	1,138,164
Total governmental activities	65,185,376	77,641,006	76,905,600	77,577,046	85,815,661	81,680,450	90,143,020	87,552,270	95,125,311	95,332,444
Business-type activities										
Elimwood golf course	\$ 1,010,062	\$ 992,278	\$ 906,674	\$ 1,007,069	\$ 981,498	\$ 991,706	\$ 914,069	\$ 880,190	\$ 928,757	\$ 975,010
Walkingstick golf course	1,478,332	1,533,550	1,602,445	1,644,653	1,668,190	1,675,151	1,683,224	1,752,102	1,821,738	1,886,223
Sewer user	5,850,527	6,539,306	6,707,226	7,249,353	7,587,616	8,653,027	8,537,456	9,124,088	11,009,307	12,506,548
Stormwater utility	2,131,004	2,846,637	2,593,534	2,384,871	2,432,055	2,617,256	2,637,540	2,730,534	3,125,968	2,896,741
Other business-type activities	8,050,664	8,541,909	11,067,176	8,740,162	9,173,632	11,096,719	10,797,701	11,936,935	12,240,953	12,617,167
Total business-type activities	18,520,589	20,453,680	22,877,055	21,026,108	21,842,991	25,033,859	24,569,990	26,423,849	29,126,723	30,881,689
Total primary government expenses	\$ 83,705,965	\$ 98,094,686	\$ 99,782,655	\$ 98,603,154	\$ 107,658,652	\$ 106,714,309	\$ 114,713,010	\$ 113,976,119	\$ 124,252,034	\$ 126,214,133

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Program revenue</b>										
Governmental activities										
Permits, fees, fines and charges for services										
General government	\$ 1,641,342	\$ 1,711,738	\$ 1,703,212	\$ 1,963,163	\$ 2,369,917	\$ 2,075,228	\$ 1,642,290	\$ 1,851,960	\$ 1,998,698	\$ 2,036,502
Public safety	3,377,810	3,642,339	3,617,774	4,405,012	5,191,857	5,201,273	5,325,642	5,354,057	5,406,875	4,456,306
Public works	284,953	433,552	341,664	346,087	704,379	450,217	489,761	487,854	495,989	539,532
Culture and community welfare	229,783	193,820	116,974	273,599	100,881	49,210	364,384	276,516	299,675	414,365
Parks and recreation	437,757	479,195	480,559	507,480	301,673	372,275	531,839	592,114	685,329	634,639
Economic development	90,581	-	-	-	-	-	-	-	-	-
Operating grants and contributions	9,056,010	12,455,069	10,921,224	13,222,843	11,434,429	10,385,132	12,193,129	13,493,320	13,616,953	22,104,201
Capital grants and contributions	8,732,333	5,157,992	5,513,470	6,513,307	7,197,160	7,944,326	7,489,339	8,212,014	9,128,467	6,944,859
Total governmental activities program revenue	23,850,569	24,073,705	22,694,877	27,253,491	27,300,296	26,477,661	28,036,384	30,267,835	31,631,986	37,110,404
Business-type activities										
Charges for services										
Golf	\$ 2,078,074	\$ 1,989,956	\$ 2,058,716	\$ 2,118,218	\$ 2,222,900	\$ 2,254,076	\$ 2,160,142	\$ 2,118,331	\$ 2,163,333	\$ 2,140,132
Sewer	7,217,202	7,166,632	7,667,687	8,890,987	10,911,573	12,392,418	13,673,319	13,454,038	13,805,921	14,355,943
Stormwater	2,482,541	2,711,723	2,786,560	2,705,207	2,731,475	2,771,994	2,757,602	2,754,867	2,791,898	3,253,081
Other	3,045,323	3,282,018	3,330,030	3,747,327	4,209,175	4,678,642	4,282,123	5,055,394	4,756,160	4,486,419
Operating grants and contributions	1,372,228	1,528,467	4,044,722	1,750,879	1,754,756	1,676,299	1,793,282	2,033,900	2,220,825	2,050,457
Capital grants and contributions	5,188,510	3,020,605	4,193,167	5,070,294	3,019,001	10,341,094	7,622,792	8,291,358	4,811,702	20,762,845
Total business-type activities program revenue	21,383,878	19,699,401	24,080,882	24,282,912	24,848,860	34,114,523	32,289,260	33,707,888	30,549,839	47,048,877
Total primary government program revenue	\$ 45,234,447	\$ 43,773,106	\$ 46,775,759	\$ 51,516,403	\$ 52,149,156	\$ 60,592,184	\$ 60,325,644	\$ 63,975,723	\$ 62,181,825	\$ 84,159,281
<b>Net (expense) revenue</b>										
Governmental activities	\$ (41,334,807)	\$ (53,567,301)	\$ (54,210,723)	\$ (50,343,555)	\$ (58,515,365)	\$ (55,202,789)	\$ (62,106,636)	\$ (57,284,435)	\$ (63,493,325)	\$ (58,222,040)
Business-type activities	2,863,289	(754,279)	1,203,827	3,256,804	3,005,869	9,080,664	7,719,270	7,284,039	1,423,116	16,167,188
Total primary government net (expense) revenue	\$ (38,471,518)	\$ (54,321,580)	\$ (53,006,896)	\$ (47,086,751)	\$ (55,509,496)	\$ (46,122,125)	\$ (54,387,366)	\$ (50,000,396)	\$ (62,070,209)	\$ (42,054,852)

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General revenue and other changes in net position</b>										
<b>Governmental activities</b>										
Property taxes	\$ 8,213,214	\$ 8,371,058	\$ 8,974,924	\$ 9,952,692	\$ 10,825,444	\$ 10,997,706	\$ 11,270,663	\$ 11,444,707	\$ 11,908,875	\$ 12,905,041
Franchise and other taxes	4,673,364	5,021,577	5,315,793	5,419,403	5,666,015	5,704,383	5,750,053	6,178,164	6,651,168	6,557,472
Sales and use taxes	45,656,604	46,782,838	47,780,034	53,763,904	51,337,779	53,922,799	48,902,489	55,014,310	50,471,792	51,947,998
Payment in lieu of taxes	-	-	13,000,000	-	-	-	7,509,859	9,859	9,859	9,859
Unrestricted investment earnings	584,780	1,230,062	2,534,750	2,972,190	2,381,232	981,250	563,205	973,281	526,792	(99,169)
Miscellaneous	1,896,202	1,578,188	1,498,673	1,929,265	2,161,617	2,190,302	2,087,171	2,384,645	2,509,676	2,287,852
Gain on disposition of assets	-	-	-	-	-	-	-	-	-	-
Transfers	(2,262,133)	(2,776,122)	(2,269,292)	(1,958,397)	(2,831,378)	(2,371,946)	(2,759,393)	(3,137,429)	(2,948,662)	(3,018,863)
<b>Total governmental activities</b>	<b>58,762,031</b>	<b>60,207,601</b>	<b>76,854,882</b>	<b>72,079,057</b>	<b>69,540,709</b>	<b>71,424,494</b>	<b>73,324,047</b>	<b>72,867,537</b>	<b>69,129,500</b>	<b>70,590,190</b>
<b>Business-type activities</b>										
Unrestricted investment earnings	\$ 397,051	\$ 523,442	\$ 783,952	\$ 1,002,457	\$ 922,792	\$ 824,620	\$ 631,776	\$ 843,959	\$ 795,501	\$ 626,139
Miscellaneous	7,446	15,565	-	14,722	2,941	13,844	6,274	34,517	110,426	1,375
Gain on disposition of assets	(809)	213,275	-	-	-	-	-	-	-	-
Loss on defeasance	-	-	-	-	-	-	-	-	-	-
Transfers	2,262,133	2,776,122	2,269,292	1,958,397	2,831,378	2,371,946	2,759,393	3,137,429	2,948,662	3,018,863
<b>Total business-type activities</b>	<b>2,665,821</b>	<b>3,528,404</b>	<b>3,053,244</b>	<b>2,975,576</b>	<b>3,757,111</b>	<b>3,210,410</b>	<b>3,397,443</b>	<b>4,015,905</b>	<b>3,854,589</b>	<b>3,646,377</b>
<b>Total primary government</b>	<b>\$ 61,427,852</b>	<b>\$ 63,736,005</b>	<b>\$ 79,908,126</b>	<b>\$ 75,054,633</b>	<b>\$ 73,297,820</b>	<b>\$ 74,634,904</b>	<b>\$ 76,721,490</b>	<b>\$ 76,883,442</b>	<b>\$ 72,984,089</b>	<b>\$ 74,236,567</b>
<b>Change in net position</b>										
<b>Governmental activities</b>	\$ 17,427,224	\$ 6,640,300	\$ 22,644,159	\$ 21,735,502	\$ 11,025,344	\$ 16,221,705	\$ 11,217,411	\$ 15,583,102	\$ 5,636,175	\$ 12,368,150
<b>Business-type activities</b>	5,529,110	2,774,125	4,257,071	6,232,380	6,762,980	12,291,074	11,116,713	11,299,944	5,277,705	19,813,565
<b>Total primary government change in net position</b>	<b>\$ 22,956,334</b>	<b>\$ 9,414,425</b>	<b>\$ 26,901,230</b>	<b>\$ 27,967,882</b>	<b>\$ 17,788,324</b>	<b>\$ 28,512,779</b>	<b>\$ 22,334,124</b>	<b>\$ 26,883,046</b>	<b>\$ 10,913,880</b>	<b>\$ 32,181,715</b>

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General fund</b>										
Reserved	\$ 3,290,551	\$ 3,272,886	\$ 3,273,245	\$ 4,035,029	\$ 4,820,869	\$ 6,792,406	\$ 6,422,263			
Unreserved	17,473,282	17,932,444	16,676,413	19,873,356	18,893,395	16,024,783	17,469,357			
<b>Total general fund</b>	<u>\$ 20,763,833</u>	<u>\$ 21,205,330</u>	<u>\$ 19,949,658</u>	<u>\$ 23,908,385</u>	<u>\$ 23,714,264</u>	<u>\$ 22,817,189</u>	<u>\$ 23,891,620</u>			
<b>All other governmental funds</b>										
Reserved	\$ 54,408,636	\$ 55,594,393	\$ 67,048,480	\$ 81,796,237	\$ 91,277,899	\$ 74,504,669	\$ 72,333,940			
Unreserved, reported in:										
Special revenue funds	4,293,541	5,356,417	8,351,137	4,463,733	4,385,845	3,458,533	5,045,912			
Debt service funds	-	-	-	-	-	-	-			
Capital project funds	(309,653)	143,553	105,462	362,224	4,408,683	7,384,735	10,153,988			
<b>Total all other governmental funds</b>	<u>\$ 58,392,524</u>	<u>\$ 61,094,363</u>	<u>\$ 75,505,079</u>	<u>\$ 86,622,194</u>	<u>\$ 100,072,427</u>	<u>\$ 85,347,937</u>	<u>\$ 87,533,840</u>			
<b>General Fund</b>										
Nonspendable						\$ 1,806,325	\$ 1,819,164	\$ 1,739,939		
Restricted						2,600,000	2,600,000	2,600,000		
Committed						7,669,649	7,705,629	7,689,824		
Assigned						10,496,794	7,486,269	5,494,282		
Unassigned						422,402	-	37,138		
<b>Total general fund</b>						<u>\$ 22,995,170</u>	<u>\$ 19,611,062</u>	<u>\$ 17,561,183</u>		
<b>All other governmental funds</b>										
Nonspendable						\$ 747,000	\$ 747,000	\$ -		
Restricted						91,097,144	86,235,861	85,785,298		
Committed						223,081	223,080	104,831		
Assigned						5,391,471	3,025,298	3,700,909		
<b>Total all other governmental funds</b>						<u>\$ 97,458,696</u>	<u>\$ 90,231,239</u>	<u>\$ 89,591,038</u>		

Notes:

- (1) In FY 2011 the City implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned compared to reserved and unreserved.
- (2) The substantial increase or decrease in fund balance restricted, committed, assigned, and unassigned is explained in the Management's Discussion and Analysis (MD&A).

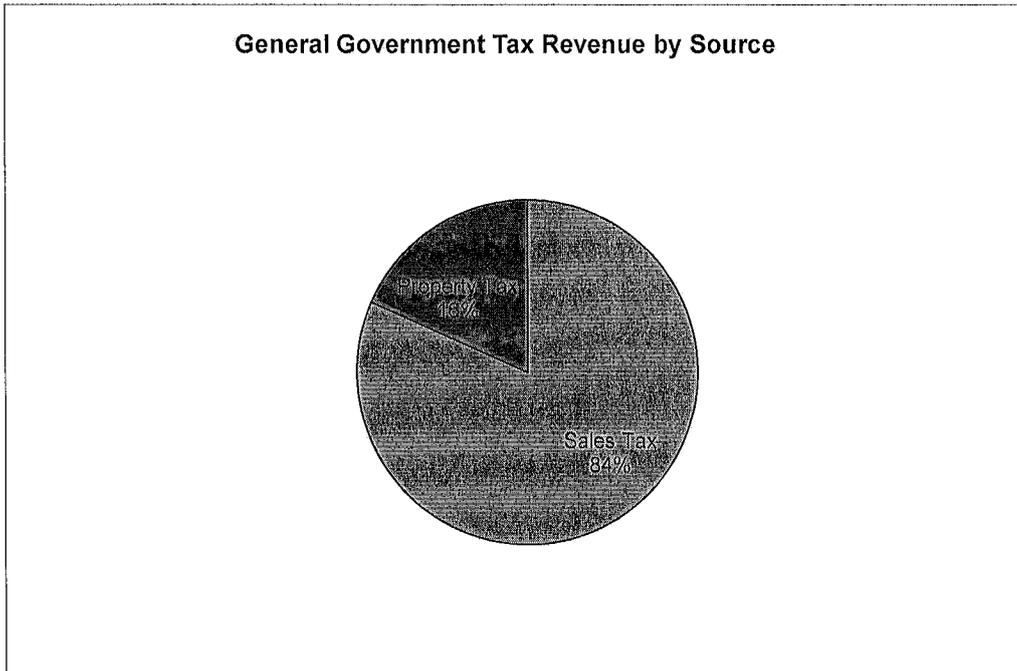
**CITY OF PUEBLO, COLORADO**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**

(Modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$ 58,562,007	\$ 60,180,020	\$ 61,256,282	\$ 69,931,206	\$ 67,829,283	\$ 65,939,451	\$ 70,590,717	\$ 71,397,662	\$ 68,749,023	\$ 70,430,187
Payment in lieu of taxes	-	-	13,000,000	-	-	4,600,000	2,909,859	9,859	9,859	9,859
Fees and fines	1,645,914	1,573,767	1,458,095	1,814,180	2,637,266	2,136,887	2,276,641	2,355,108	2,090,603	1,849,081
Licenses and permits	606,204	595,372	606,634	608,593	567,319	558,257	600,523	561,141	574,360	603,249
Intergovernmental	10,551,132	11,495,412	11,869,089	15,703,863	13,365,004	14,549,354	18,073,674	19,678,700	16,170,914	23,188,363
Charges for services	3,616,386	4,106,245	3,669,187	4,488,496	4,657,314	4,445,802	4,538,144	4,706,111	5,723,274	5,098,498
Investment earnings	600,417	1,229,229	2,557,871	2,875,026	2,328,993	915,059	509,745	894,162	454,207	(95,480)
Miscellaneous	992,833	1,079,500	915,084	1,478,353	1,413,612	1,553,276	3,306,444	1,877,391	1,011,170	1,503,609
Total revenues	76,574,893	80,259,545	95,332,242	96,899,717	92,798,791	94,698,086	102,805,747	101,480,134	94,783,410	102,587,366
<b>Expenditures</b>										
Current										
General government	7,260,662	7,470,635	7,770,323	8,323,725	9,309,207	8,906,351	9,446,931	9,906,695	9,757,420	9,324,677
Public safety	31,124,579	33,998,187	36,314,947	37,932,998	39,570,942	38,880,698	40,797,229	41,840,926	42,581,744	53,423,916
Public works	9,552,966	9,228,766	9,700,677	9,476,324	9,999,375	9,673,957	12,584,529	9,150,113	9,749,975	9,298,026
Parks and recreation	4,153,446	3,998,043	4,104,456	4,516,419	4,202,445	4,036,880	4,460,129	4,752,890	5,382,385	4,790,964
Economic development	600,441	5,124,779	5,675,607	3,126,520	8,298,423	2,196,510	3,606,731	1,720,757	3,123,621	4,698,157
Culture and community welfare	6,664,680	6,981,151	7,164,206	7,196,287	8,320,074	7,070,616	8,324,329	9,223,504	12,664,949	11,117,958
Other	-	530,478	401,470	1,211,588	794,121	1,252,382	615,174	479,457	521,614	402,110
Debt service	2,098,538	1,948,960	3,726,218	931,376	1,315,016	2,099,407	1,925,287	1,998,559	2,117,410	2,536,229
Principal	824,047	737,992	454,197	320,800	870,523	1,242,553	1,414,334	1,333,949	1,267,515	1,204,852
Interest and other charges	5,017,273	3,978,685	4,718,919	11,256,938	13,743,802	31,511,351	12,211,347	8,154,482	16,076,440	8,422,405
Capital outlay	67,296,632	73,997,676	80,031,020	84,292,975	96,633,928	106,870,705	95,386,020	88,561,332	103,243,073	105,219,294
Total expenditures	9,278,261	6,261,869	15,301,222	12,606,742	(3,835,137)	(12,172,619)	7,419,727	12,918,802	(8,459,663)	(2,631,928)
Excess revenues over (under) expenditures	-	8,220,000	523,113	4,977,498	20,625,000	-	-	363,503	1,173,612	2,367,868
<b>Other financing sources (uses)</b>										
Proceeds from borrowing	-	-	-	-	(152,373)	-	-	-	-	-
Discount on bonds issued	-	195,928	-	-	-	-	-	-	-	-
Proceeds from bond premium refunding debt	-	(8,415,928)	-	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	-
Sales of Capital Assets	-	-	-	-	-	-	-	-	-	-
Transfers in	15,537,352	8,779,740	12,085,328	13,596,597	13,754,387	18,317,883	14,744,489	13,256,748	10,980,219	10,267,116
Transfers out	(18,409,487)	(11,898,273)	(14,754,619)	(16,104,994)	(17,135,766)	(21,766,829)	(18,903,882)	(17,362,999)	(14,453,381)	(13,605,669)
Total other financing sources (uses)	(2,872,135)	(3,118,533)	(2,146,178)	2,469,101	17,091,248	(3,448,946)	(4,159,393)	(3,742,748)	(2,299,550)	(58,152)
Net changes in fund balances	6,406,126	3,143,336	13,155,044	15,075,843	13,256,111	(15,621,565)	3,260,334	9,176,054	(10,759,213)	(2,690,080)
Fund balances - beginning	72,750,231	79,156,357	82,299,693	95,454,737	110,530,580	123,786,691	108,165,126	111,425,460	120,601,514	109,842,301
Fund balances - ending	\$ 79,156,357	\$ 82,299,693	\$ 95,454,737	\$ 110,530,580	\$ 123,786,691	\$ 108,165,126	\$ 111,425,460	\$ 120,601,514	\$ 109,842,301	\$ 107,152,221
Debt service as a percentage of non-capital expenditures	4.7%	3.8%	5.6%	1.7%	2.6%	4.4%	4.0%	4.1%	3.6%	3.6%

**CITY OF PUEBLO, COLORADO**  
**GENERAL GOVERNMENT TAX REVENUE BY SOURCE**  
**Last Ten Fiscal Years**

Fiscal Year	Sales and Miscellaneous Taxes	Rate	Property Tax	Rate	Total
2003	\$ 46,821,897	3.50%	\$ 8,336,107	15.633%	\$ 55,158,004
2004	50,348,793	3.50%	8,213,214	15.633%	58,562,007
2005	51,808,962	3.50%	8,371,058	15.441%	60,180,020
2006	52,281,358	3.50%	8,974,924	15.633%	61,256,282
2007	59,978,514	3.50%	9,952,692	15.633%	69,931,206
2008	57,004,125	3.50%	10,825,158	15.633%	67,829,283
2009	54,998,393	3.50%	10,941,058	15.633%	65,939,451
2010	59,320,054	3.50%	11,270,663	15.633%	70,590,717
2011	59,952,955	3.50%	11,444,707	15.633%	71,397,662
2012	56,840,148	3.50%	11,908,875	15.633%	68,749,023
2013	57,527,855	3.50%	12,902,332	15.633%	70,430,187



The sales and use tax rate (3.5%) consists of 3.0% general tax and .5% tax specifically for use in economic development. Sales tax is levied on all retail sales, leases, and rentals of tangible personal property on the basis of the purchase or rental price. Food purchased for preparation and consumption at home is exempt from sales tax. Prescription medications are also exempt from sales tax. Use tax is collected on purchases of items which are used in Pueblo and on which the 3.5% local sales tax has not been paid to another jurisdiction.

Property tax is levied against all real property and business-related personal property within the City of Pueblo.

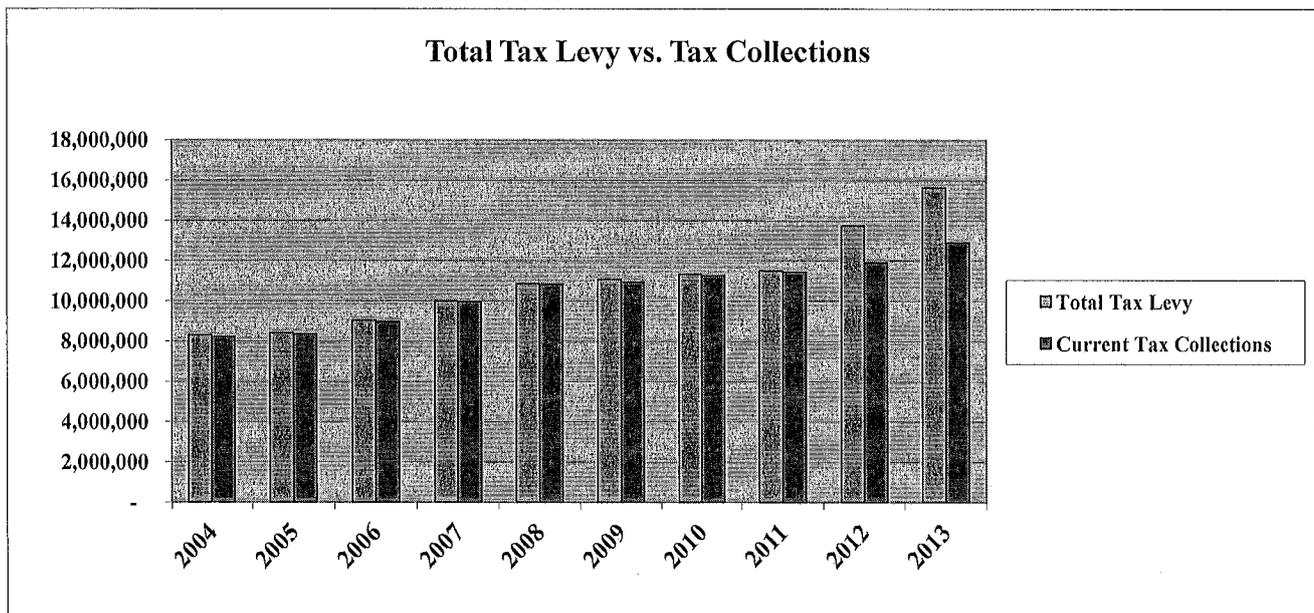
**CITY OF PUEBLO, COLORADO**  
**TAXABLE SALES BY CATEGORY**  
**Last Ten Fiscal Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	% of Total
Apparel stores	\$ 12,957,229	\$ 15,721,829	\$ 19,283,857	\$ 21,148,600	\$ 21,167,981	\$ 20,665,388	\$ 22,587,643	\$ 22,726,167	\$ 21,078,555	\$ 21,712,161	1.5%
General merchandise	276,756,943	280,843,629	273,539,086	276,329,171	274,889,106	271,065,537	273,664,541	269,866,690	271,614,426	269,825,995	18.3%
Food/drug/liquor stores	50,493,343	50,608,314	52,739,171	54,101,714	57,815,813	59,518,359	61,428,357	63,799,469	64,577,531	66,970,357	4.5%
Eating and drinking establishments	144,228,829	151,641,200	156,224,829	170,084,857	176,341,311	175,986,153	178,342,206	181,007,675	188,975,381	194,976,983	13.2%
Home furnishings and appliances	53,619,314	52,556,686	51,469,657	50,157,486	43,195,441	33,464,768	27,775,023	26,675,919	26,589,441	27,822,264	1.9%
Building materials and farm tools	142,326,457	149,541,600	151,385,057	163,883,343	176,033,910	161,330,267	156,992,265	128,552,869	128,914,149	138,523,216	9.9%
Auto dealers and supplies	143,365,971	142,801,257	135,786,343	151,255,629	138,744,763	138,337,249	119,665,344	121,521,483	137,163,808	145,887,947	9.9%
Other retail stores	138,560,543	154,264,943	168,812,857	179,570,314	200,055,193	199,686,795	222,591,059	215,867,314	205,612,974	210,373,040	14.3%
Utilities	144,294,486	157,313,200	170,603,371	187,955,629	204,728,857	185,146,431	186,111,405	209,678,211	233,629,333	215,873,798	14.6%
All other outlets	168,297,143	172,737,486	171,904,229	197,938,800	199,123,770	204,417,996	186,202,664	197,478,109	178,453,889	181,957,413	12.3%
<b>Total</b>	<b>\$ 1,274,900,257</b>	<b>\$ 1,328,030,143</b>	<b>\$ 1,351,748,457</b>	<b>\$ 1,452,405,543</b>	<b>\$ 1,492,096,145</b>	<b>\$ 1,449,618,943</b>	<b>\$ 1,435,360,507</b>	<b>\$ 1,437,173,908</b>	<b>\$ 1,456,609,287</b>	<b>\$ 1,474,105,174</b>	<b>100.0%</b>
City direct sales tax rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	

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

Fiscal Year	(1) Total Tax Levy	(2) Current Tax Collections	Percentage of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Accumulated Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2004	8,310,431	8,214,996	98.9%	(1,782)	8,213,214	98.8%	301,629	3.6%
2005	8,403,285	8,342,551	99.3%	28,507	8,371,058	99.6%	333,856	4.0%
2006	9,025,288	8,971,654	99.4%	3,270	8,974,924	99.4%	384,220	4.3%
2007	9,996,222	9,943,540	99.5%	9,152	9,952,692	99.6%	427,750	4.3%
2008	10,856,206	10,819,644	99.7%	5,514	10,825,158	99.7%	458,798	4.2%
2009	11,068,364	10,940,836	98.8%	222	10,941,058	98.8%	586,104	5.3%
2010	11,318,452	11,262,805	99.5%	7,858	11,270,663	99.6%	633,893	5.6%
2011	11,507,693	11,437,371	99.4%	7,336	11,444,707	99.5%	696,879	6.1%
2012	13,736,996	11,915,905	86.7%	(7,030)	11,908,875	86.7%	2,525,000	18.4%
2013	15,638,844	12,897,509	82.5%	4,823	12,902,332	82.5%	5,261,512	33.6%

- (1) For consistency in computing ratios, total tax is shown net of the one percent County Treasurer's fee.  
(2) Real and Property Taxes are assessed as of January 1. Taxes are due in full on April 30, or in installments with the first half due February 28 and the second half due June 15.



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

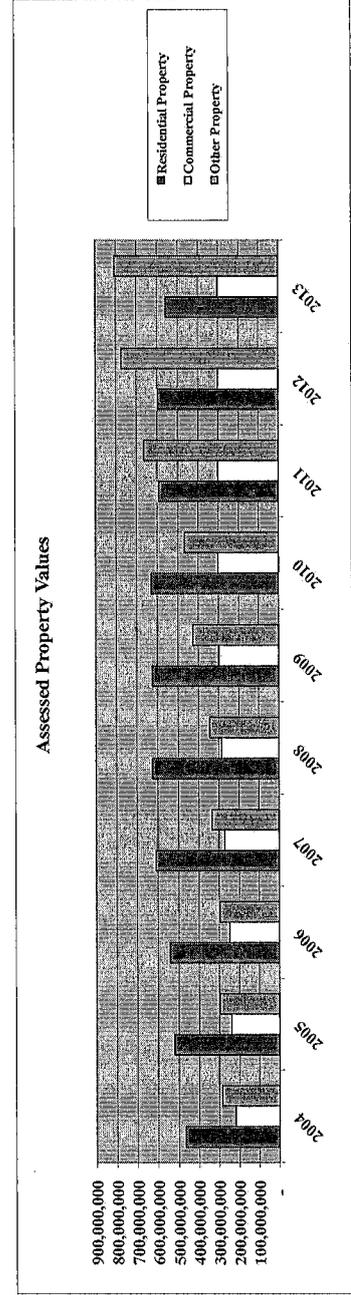
Fiscal Year	(1) Assessed Property Values				Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	(2)	
	Residential Property	Commercial Property	Other Property	Total Actual Property Value				Assessed Value as a Percentage of Actual Value	
2004	466,545,250	220,101,930	284,852,100	(432,004,070)	539,495,210	15.633%	7,194,615,003	7.499%	
2005	521,390,360	239,482,440	298,050,730	(461,517,480)	597,406,050	15.441%	7,987,985,837	7.479%	
2006	542,161,190	247,348,580	297,072,380	(445,088,800)	641,493,350	15.633%	8,263,731,154	7.763%	
2007	611,509,850	271,277,600	333,582,960	(516,179,790)	700,190,620	15.633%	9,333,213,472	7.502%	
2008	626,503,880	284,855,540	345,441,070	(540,105,000)	716,695,490	15.633%	9,617,015,119	7.452%	
2009	626,001,880	298,026,320	426,264,430	(626,270,159)	724,022,471	15.633%	9,836,666,261	7.360%	
2010	631,211,662	300,395,819	467,214,669	(616,860,250)	781,961,900	15.633%	10,024,831,899	7.800%	
2011	592,630,631	301,583,023	664,907,749	(608,178,821)	950,942,582	15.633%	9,594,209,379	9.912%	
2012	596,086,787	300,801,415	772,929,417	(608,060,262)	1,061,757,357	15.633%	9,571,359,504	11.093%	
2013	558,332,627	303,331,362	806,240,212	(611,072,756)	1,056,831,445	15.633%	9,125,979,829	11.580%	

(1) Assessed value data provided by Pueblo County Assessor's Office for entire county.  
 NOTE: Residential value decreases are the result of revaluation for taxes.

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

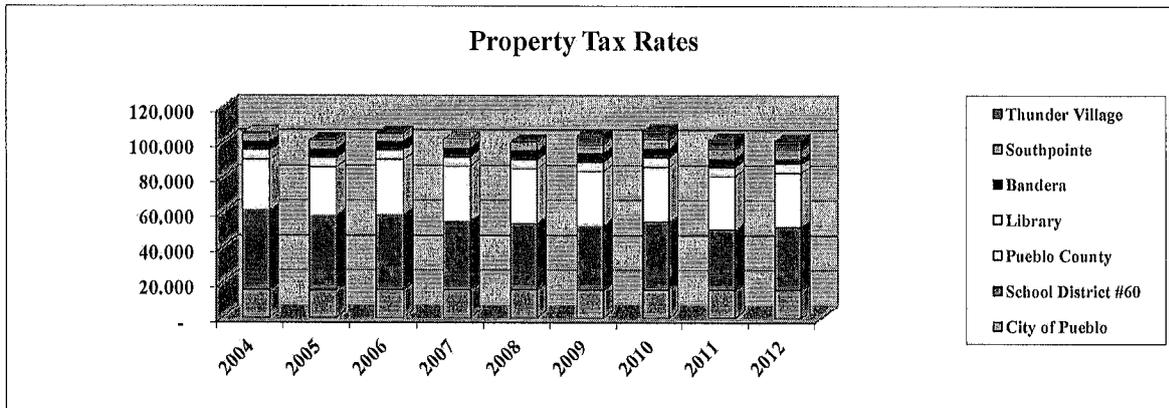
**NOTE 1:** Property in Pueblo County assesses property at approximately 29 percent of actual value for commercial and industrial property and eight percent for residential property. Tax rates are per \$1,000 of assessed value.

**NOTE 2:** Subsequent to February 2004, formula used to estimate residential building permit value modified.  
 Data on permit value subsequent to this data not consistent with prior years.



**CITY OF PUEBLO, COLORADO**  
**PROPERTY TAX RATES**  
**OF DIRECT AND OVERLAPPING GOVERNMENTS**  
**Last Ten Fiscal Years**

Fiscal Year	City Direct Rate	Overlapping Rates *					
	General Operating Expenses	School District #60	Pueblo County	Pueblo Regional Library	Bandera Blvd. Special Improvement District	Southpointe Special Improvement District	Thunder Village Metropolitan District
2004	15.633	45.349	29.189	5.250	5.000	5.000	-
2005	15.441	42.515	28.020	5.250	5.000	5.000	-
2006	15.633	42.587	31.907	5.250	5.000	5.000	-
2007	15.633	39.152	31.708	5.250	5.000	5.000	-
2008	15.633	37.966	31.195	5.261	5.000	5.000	-
2009	15.633	36.629	31.118	5.302	5.000	5.000	5.000
2010	15.633	38.811	31.677	5.413	5.000	5.000	5.000
2011	15.633	34.324	30.872	5.268	5.000	5.000	5.000
2012	15.633	36.032	30.959	5.293	3.000	5.000	5.000
2013	15.633	35.573	30.750	5.258	3.000	5.000	5.000



**Source:** Pueblo County, Colorado Abstract of Assessment

**Notes:** The City's basic property tax rate may be increased only by a vote of the City's residents. The City's direct rate's sole purpose is general operating expenses. No mil levy has been approved for debt service or other purposes.

\* Overlapping rates are those of local and county governments that apply to property owners within the City of Pueblo. Not all overlapping rates apply to all City of Pueblo property owners; for example, although the county property tax rates apply to all City property owners, the Southpointe Special Improvement District rates apply only to the City property owners whose property is located within that district's geographic boundaries.

**CITY OF PUEBLO, COLORADO  
PRINCIPAL PROPERTY TAXPAYERS  
December 31, 2013 and Nine Years Prior**

Current Year					Nine Years Prior	
Rank	Taxpayer	Type of Business	2013 Assessed Valuation	Percentage of Total Assessed Valuation	Rank	2004 Assessed Valuation
1	Public Service Co. of Colorado	Natural gas utility	\$ 230,726,203	41.0%	4	\$ 4,187,820
2	Intermountain Rural Electric	Electric utility	54,565,300	9.7%		
3	Black Hills Colorado Electric	Electric utility	50,284,224	8.9%	3	\$ 4,512,130
4	Black Hills Colorado IPP, LLC	Electric utility	40,917,300	7.3%		
5	Vestas Towers America, Inc.	Wind tower manufacturer	33,362,992	5.9%		
6	Holy Cross Electric Assn., Inc.	Electric utility	16,873,100	3.0%		
7	Qwest Corporation	Telecommunications	15,748,300	2.8%	1	13,312,300
8	Comcast of Colorado IV, LLC	Communications	6,612,214	1.2%		
9	Parkview Medical Center, Inc.	Hospital	6,153,027	1.1%	2	4,730,330
10	Colorado Natural Gas, Inc.	Natural gas utility	4,615,000	0.8%		
	Renaissance Partners I LLC	Sports/entertainment			5	3,942,340
	Walmart Real Estate Business	Retail			6	2,307,330
	Standard Sales Company LP	Distribution Center			7	2,225,090
	Cole WM Pueblo, LLC	Retail			8	2,218,130
	Sam's Real Estate Business	Retail			9	2,063,610
	Eagle Hardware & Garden, Inc.	Retail			10	1,923,740
	Total 2013 property tax valuation for City of Pueblo		562,446,726			

**Note:** Ranking based upon 2013 collections of tax amounts due calculated on 2012 assessed valuation

**Source:** Property tax valuation amounts provided by Pueblo County Assessor's Office

**CITY OF PUEBLO, COLORADO**  
**PRINCIPAL SALES TAXPAYERS**  
**December 31, 2013 and Nine Years Prior**

Sales and Use Tax is the City's largest revenue source, producing 76.9% of the revenues for the Governmental Activities. We are prohibited by ordinance from releasing sales tax information on individual taxpayers. We are providing the following as the next best available option:

**Percentage of Sales & Use Tax by Industry Code**

	<u>2013</u>	<u>2004</u>
General Merchandise Stores	18%	22%
Utilities	15%	11%
Restaurants	13%	11%
Auto Sales	10%	11%
All other	44%	45%
	100%	100%
	100%	100%

From WP A3 -

Total revenues from:

Gov't Activities	70,590,190
Add back tfrs	(3,018,863)
	67,571,327

Sales & use tax 2013	51,947,998
Gen Gov't revenues 2013	67,571,327
	76.9%

From WP A7 -

	<u>2004</u>	
General Merchandise Stores	276,756,943	22%
Utilities	144,294,486	11%
Restaurants	144,228,829	11%
Auto Sales	143,365,971	11%
All other	566,254,028	45%
Total	1,274,900,257	

**CITY OF PUEBLO, COLORADO**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita	
	General Obligation Bonds	Capital Improvement Revenue Bonds	Certificates of Participation	Capital Leases	Notes Payable	Revenue Bonds	Certificates of Participation	Capital Leases				Notes Payable
2004	11,805,000	-	2,062,960	422,834	84,749	-	3,772,435	170,432	8,039,917	26,358,327	0.70%	253
2005	10,063,645	-	1,899,000	345,460	72,643	-	3,205,916	113,622	7,677,214	23,377,500	0.60%	224
2006	8,078,280	-	338,160	612,382	60,546	-	2,605,279	63,446	7,314,511	19,072,604	0.48%	181
2007	7,382,926	-	277,200	5,335,056	48,449	-	1,966,197	307,084	6,951,808	22,268,720	0.54%	214
2008	6,677,561	-	20,687,109	4,705,961	36,352	-	669,168	476,902	6,589,105	39,842,158	0.90%	381
2009	5,947,186	-	19,800,325	4,146,905	24,255	-	457,540	365,314	7,726,402	38,467,927	0.82%	363
2010	5,186,821	-	19,139,642	3,657,658	12,158	-	234,512	220,684	32,291,438	60,742,913	1.26%	570
2011	4,401,456	-	18,450,359	3,512,242	-	-	-	2,064,742	30,799,208	59,228,007	1.20%	552
2012	3,653,433	-	17,805,716	4,043,444	-	-	-	3,011,827	29,301,395	57,815,815	1.07%	535
2013	2,785,621	-	17,131,073	5,441,191	-	-	-	2,593,373	27,771,337	55,722,595	1.00%	516

**Note:** Details regarding the City's outstanding debt can be found in the Notes to Financial Statements.

**CITY OF PUEBLO, COLORADO**  
**RATIOS OF NET GENERAL OBLIGATION DEBT OUTSTANDING**  
**Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt Outstanding				Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Actual Property Value	Per Capita
	General Obligation Bonds	Capital Improvement Revenue Bonds	Gross Bonded Debt					
2004	11,805,000	-	11,805,000	2	11,804,998	0.16%	114.29	
2005	10,063,645	-	10,063,645	5	10,063,640	0.13%	97.41	
2006	8,078,280	-	8,078,280	5	8,078,275	0.10%	77.86	
2007	7,382,926	-	7,382,926	-	7,382,926	0.08%	70.44	
2008	6,677,561	-	6,677,561	-	6,677,561	0.07%	63.39	
2009	5,947,186	-	5,947,186	-	5,947,186	0.06%	56.16	
2010	5,186,821	-	5,186,821	-	5,186,821	0.05%	48.66	
2011	4,401,456	-	4,401,456	-	4,401,456	0.05%	41.02	
2012	3,653,433	-	3,653,433	-	3,653,433	0.04%	33.83	
2013	2,785,621	-	2,785,621	-	2,785,621	0.03%	25.78	

**Note 1:** Details regarding the City's outstanding debt can be found in the Notes to Financial Statements.

**Note 2:** Population information can be found on the schedule of Demographic and Economic Statistics.

**Note 3:** Estimated actual property values can be found on the schedule of Assessed and Actual Property Values and New Construction.

**CITY OF PUEBLO, COLORADO**  
**COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL**  
**ACTIVITIES DEBT**  
**December 31, 2013**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Pueblo	Amount Applicable to City of Pueblo
Direct debt	\$ 25,357,885	100%	\$ 25,357,885
Total direct debt	<u>\$ 25,357,885</u>		<u>\$ 25,357,885</u>
<b>Overlapping entities:</b>			
Pueblo County Debt	\$ 99,526,025	87.1%	\$ 86,687,168
School District #60 Debt	72,108,936	100.0%	72,108,936
Total overlapping debt	<u>\$ 171,634,961</u>		<u>\$ 158,796,104</u>
 Total direct and overlapping debt	 <u>\$ 196,992,846</u>		 <u>\$ 184,153,989</u>

**Sources:** Assessed property value data provided by the Pueblo County Assessor used to estimate applicable percentages. Debt outstanding data provided by each government entity.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Pueblo. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore is responsible for repaying the debt of each overlapping government.

**CITY OF PUEBLO, COLORADO**  
**LEGAL DEBT MARGIN INFORMATION**  
**Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed value - 2012 for 2013 taxes	\$ 1,056,831,445
Debt limitation - Ten percent of total assessed value	105,683,145
Total applicable debt	\$ 2,750,000
Less amount available for repayment of general obligation bonds	-
Total net debt applicable to limitation	<u>2,750,000</u>
Legal debt margin	<u>\$ 102,933,145</u>

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 53,753,505	\$ 58,750,939	\$ 64,149,335	\$ 70,019,062	\$ 71,669,549	\$ 72,402,247	\$ 78,196,190	\$ 95,094,258	\$ 106,175,736	\$ 105,683,145
Total net debt applicable to limit	<u>11,804,998</u>	<u>10,582,995</u>	<u>8,119,856</u>	<u>7,420,000</u>	<u>6,710,000</u>	<u>5,975,000</u>	<u>5,210,000</u>	<u>4,420,000</u>	<u>3,600,000</u>	<u>2,750,000</u>
Legal debt margin	<u>\$ 41,948,507</u>	<u>\$ 48,167,944</u>	<u>\$ 56,029,479</u>	<u>\$ 62,599,062</u>	<u>\$ 64,959,549</u>	<u>\$ 66,427,247</u>	<u>\$ 72,986,190</u>	<u>\$ 90,674,258</u>	<u>\$ 102,575,736</u>	<u>\$ 102,933,145</u>
Total net debt applicable to the limit as a percentage of debt limit	21.96%	18.01%	12.66%	10.60%	9.36%	8.25%	6.66%	4.65%	3.39%	2.60%

Detailed information regarding the long-term debt of the City can be found in the Notes to Financial Statements.

Future debt issuance may be subject to the Taxpayer's Bill of Rights (TABOR).

**CITY OF PUEBLO, COLORADO**  
**PLEGGED-REVENUE COVERAGE**  
**Last Ten Fiscal Years**

**Wastewater Revenue Bonds/Note Payable**

Fiscal Year	Wastewater Enterprise		Less:		Net Available Revenue		Debt Service		Coverage
	Operating Revenue	Operating Revenue	Operating Expenses	Operating Expenses	Available Revenue	Available Revenue	Principal	Interest	
2004	7,217,202	7,217,202	5,810,898	5,810,898	1,406,304	1,406,304	362,703	156,126	2.71
2005	7,166,632	7,166,632	6,439,923	6,439,923	726,709	726,709	362,703	183,069	1.33
2006	7,667,687	7,667,687	6,460,694	6,460,694	1,206,993	1,206,993	362,703	185,123	2.20
2007	8,890,987	8,890,987	7,216,669	7,216,669	1,674,318	1,674,318	362,703	180,900	3.08
2008	10,911,573	10,911,573	7,347,030	7,347,030	3,564,543	3,564,543	362,703	182,804	6.53
2009	12,392,418	12,392,418	8,339,188	8,339,188	4,053,230	4,053,230	362,703	181,327	7.45
2010	13,673,319	13,673,319	7,953,954	7,953,954	5,719,365	5,719,365	405,699	382,679	7.25
2011	13,454,038	13,454,038	8,490,428	8,490,428	4,963,610	4,963,610	1,421,994	444,719	2.66
2012	13,805,921	13,805,921	10,295,374	10,295,374	3,510,547	3,510,547	1,431,980	509,766	1.81
2013	14,355,943	14,355,943	11,841,284	11,841,284	2,514,659	2,514,659	1,463,362	487,356	1.29

(1) Wastewater Revenue Bonds were retired early. The debt was refunded by a note payable to the Colorado Water Resources and Power Development Authority Water Pollution Control Revolving Fund (WPRF) Loan Program.

**CITY OF PUEBLO, COLORADO**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Calendar Years**

Fiscal Year	(1) Population	(2) Personal Income (in thousands)	(3) Per Capita Income	(4) Median Age	(5) Percentage of High School Graduates		(6) School Enrollment	(7) Unemployment Rate
					High School Graduates	School Enrollment		
2004	103,291	3,902,044	26,249	36.9	81.1	17,600	8.4%	
2005	103,310	4,070,170	26,766	37.0	81.7	17,730	7.8%	
2006	103,757	4,195,535	27,597	37.1	82.3	17,915	6.3%	
2007	104,808	4,557,711	29,382	37.2	83.0	18,290	5.4%	
2008	105,339	4,634,780	29,568	37.3	83.6	18,504	6.8%	
2009	105,898	4,687,244	29,695	37.4	84.2	18,304	10.2%	
2010	106,595	4,815,084	30,194	37.5	84.9	18,420	11.7%	
2011	107,297	4,946,411	30,701	37.6	85.6	17,877	11.2%	
2012	107,994	5,380,177	33,288	37.7	86.2	18,296	11.6%	
2013	108,073	5,554,502	34,423	38.0	84.7	18,564	10.5%	

**Sources:**

- (1) 2002-2009: Colorado State Demography Office  
2010: U.S. Census Bureau  
2011: Colorado State Demography Office
- (2) 2012: Extrapolation of 2010-2011 growth trend. 2012 estimates from Colorado State Demography Office not available.
- (3) U. S. Bureau of Economic Analysis: Pueblo County (City of Pueblo only not available)  
2012 is estimate, based on 2010-2011 growth rate
- (4) U.S. Bureau of Economic Analysis: Pueblo County (City of Pueblo only not available)  
2012 is estimate, based on 2010-2011 growth rate
- (5) Estimates are interpolation and extrapolation of 2000 and 2010 Census data.
- (6) Estimates are interpolation and extrapolation of 2000 Census data and 2010 American Community Survey data.  
Colorado Dept. of Education (derived from annual census of School District No. 60 schools)  
[http://www.cde.state.co.us/index\\_stats.htm](http://www.cde.state.co.us/index_stats.htm)
- (7) U. S. Department of Labor, Bureau of Labor Statistics

**CITY OF PUEBLO, COLORADO**  
**PRINCIPAL EMPLOYERS**  
**Current Year and Nine Years Ago**

Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Parkview Hospital Medical Center	2,600	1	6.1%	1,950	2	4.4%
Pueblo City Schools (School District No. 60)	1,800	2	4.2%	2,400	1	5.4%
St. Mary Corwin Hospital	1,239	3	2.9%	1,228	4	2.8%
Evrax Inc. (Rocky Mountain Steel)	1,218	4	2.9%	810	9	1.8%
Walmart	1,171	5	2.7%	780	10	1.8%
School District No. 70	1,101	6	2.6%	830	8	1.9%
Pueblo County	1,064	7	2.5%	1,022	6	2.3%
Colorado Mental Health Institute	1,000	8	2.3%	1,045	5	2.4%
City of Pueblo	620	9	1.5%			
Express Scripts	600	10	1.4%			
Convergys				1,500	3	3.4%
TRANE Co.*				1,000	7	2.3%
<b>Total</b>	<b>12,413</b>		<b>29.0%</b>	<b>12,565</b>		<b>28.5%</b>

City of Pueblo resident employment 42,731

\*Employer located in Pueblo County outside City of Pueblo corporate limits.

\*\*Includes Wal-Mart located in Pueblo West

SOURCE: Pueblo Economic Development Corporation (PEDCO), U.S. Bureau of Labor Statistics for resident city total employment.

**CITY OF PUEBLO, COLORADO**  
**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM**  
**Last Ten Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities:</b>										
City manager's office	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Municipal court	9.00	9.00	10.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
City clerk's office	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Human resources	6.00	5.75	5.75	5.75	6.00	6.00	6.00	6.00	7.00	7.00
Finance	20.00	19.00	19.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Civil service	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Law						2.00	6.00	6.00	6.00	6.00
Information technology	10.75	14.75	14.50	14.50	14.75	14.75	15.75	15.75	15.75	15.75
Planning/comm dev	8.00	9.00	11.00	11.00	13.00	16.00	16.00	16.00	16.00	12.00
Land use	7.00	5.00	6.00	7.00	3.00	-	-	-	-	-
Purchasing	3.00	2.75	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Housing/comm svcs	6.00	6.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Fleet maintenance	15.00	14.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Police	247.00	253.00	251.00	251.00	264.00	264.00	266.00	266.00	268.00	271.00
Fire	143.00	143.00	143.00	137.00	137.00	137.00	143.00	143.00	143.00	140.00
Public works	80.58	77.00	77.00	76.00	76.00	78.00	75.00	75.00	74.00	74.00
Parks and recreation	39.75	39.75	36.75	35.75	36.75	38.75	37.75	37.75	38.00	38.00
<b>Business-type activities:</b>										
Wastewater utility	50.00	49.50	47.50	47.50	48.50	48.50	49.50	50.50	51.50	52.50
Stormwater utility	18.00	17.50	17.50	17.50	17.50	17.50	17.50	18.50	18.50	19.50
Memorial airport	12.00	12.00	12.00	11.00	11.00	11.00	11.00	11.00	11.00	12.00
Parking facilities	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Honor Farm properties	-	-	-	-	-	1.00	1.00	1.00	2.00	1.00
<b>Total</b>	<b>691.08</b>	<b>693.00</b>	<b>686.00</b>	<b>674.00</b>	<b>687.50</b>	<b>694.50</b>	<b>703.50</b>	<b>705.50</b>	<b>709.75</b>	<b>707.75</b>

**Note 1:** Includes permanent full and part-time positions only; temporary and seasonal employees are excluded.

**Note 2:** Stormwater utility fund created in 2003.

**CITY OF PUEBLO, COLORADO**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
 Last Ten Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Police</b>										
Number of arrests	7,459	6,410	8,048	8,897	8,682	4,328	3,833	3,739	3,671	3,758
Number of traffic violations	11,219	11,219	7,446	7,304	9,391	4,904	8,405	5,832	7,102	7,498
Number of parking violations	13,996	10,889	4,782	10,094	12,113	9,498	11,527	10,015	9,576	8,545
<b>Fire</b>										
Number of fire calls answered	2,794	2,867	3,127	4,182	4,621	5,434	4,667	4,698	4,797	5,246
Number of medical responses	8,019	9,173	9,432	9,791	9,875	9,236	10,790	11,656	11,894	12,921
Number of inspections	1,638	1,585	1,536	1,310	1,274	3,550	3,433	2,716	3,924	2,869
<b>Parks and recreation</b>										
Aquatics participants	40,070	54,954	52,814	51,916	- *	- *	51,630	54,013	45,449	34,381
Adult athletics participants	1,902	1,817	1,692	1,260	838	828	1,070	725	1,290	825
Youth athletics participants	4,499	5,344	3,733	4,194	3,419	3,568	2,411	2,047	1,764	1,581
Playground/Open gym participants	24,734	24,084	27,762	27,836	26,795	11,298	6,345	500	639	116
Tennis participants	4,273	3,683	3,257	3,328	3,002	3,170	2,958	3,095	152	1,025
<b>Elmwood golf course</b>										
Golf rounds played	70,068	68,702	67,603	65,155	72,643	64,664	62,476	64,059	64,398	26,898
<b>Walkstick golf course</b>										
Golf rounds played	32,618	29,530	32,599	32,708	32,266	32,403	30,997	28,040	30,798	27,714
<b>Wastewater utility</b>										
Number of sanitary sewer service connections	36,776	36,426	37,190	37,260	37,485	37,537	37,537	37,976	37,595	37,595
Daily average wastewater treatment in gallons	11,330,000	10,025,000	10,890,000	11,796,000	11,300,000	10,600,000	10,600,000	10,200,000	10,136,000	10,136,000
Maximum daily wastewater treatment capacity in gallons	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000	17,320,000	17,320,000
<b>Memorial airport</b>										
Enplanements	3,307	2,799	4,312	4,308	3,964	5,114	9,973	21,197	9,417	6,182
Air traffic control tower operations	88,715	113,057	106,133	154,031	151,332	159,923	182,119	156,466	165,876	146,807
<b>Pueblo Transit</b>										
Ridership	1,011,172	973,968	978,577	976,042	1,162,352	904,626	951,080	1,046,480	1,094,391	995,589
Number of days service operated	308	308	307	307	307	307	307	307	307	307
<b>Parking facilities</b>										
Parking permits sold	3,059	4,055	5,327	6,079	7,433	6,040	5,545	5,561	5,498	5,020

\* Aquatics programs for years 2008 and 2009 were managed by a contracted entity

Sources: Various city departments.

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

**CITY OF PUEBLO, COLORADO**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Police</b>										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	101	114	101	97	97	97	91	98	97	102
Number of other police vehicles	101	86	108	123	123	123	111	106	106	96
<b>Fire</b>										
Number of stations	10	10	10	10	10	10	11	11	11	12
<b>Public Works</b>										
Miles of paved streets maintained	468	468	474	477	479	479	479	479	479	491
Miles of gravel streets maintained	5	6	6	6	6	6	6	6	6	6
Miles of alleys maintained	102	102	102	102	102	102	102	102	102	102
<b>Parks and recreation</b>										
Number of parks	86	86	86	84	80	56	56	127	127	127
Number of acres of parks	3,341	3,341	3,341	3,331	3,308	550	550	835	3950	3406
Number of playgrounds	43	43	43	43	43	46	46	46	47	47
Number of acres of playgrounds	22	22	22	22	22	24	24	24	24	24
Number of swimming pools	4	4	4	4	4	4	4	4	4	4
Number of tennis courts	38	38	38	38	21	21	21	21	27	27
<b>Elmwood golf course</b>										
Golf courses - 18 hole	1	1	1	1	1	1	1	1	1	1
Golf courses - 9 hole	1	1	1	1	1	1	1	1	1	1
<b>Walkingstick golf course</b>										
Golf courses - 18 hole	1	1	1	1	1	1	1	1	1	1
<b>Wastewater utility</b>										
Miles of sanitary sewers	451	456	467	471	480	472	468	466	467	467
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
<b>Stormwater utility</b>										
Miles of storm sewers	108	110	113	114	114	115	116	116	117	118
<b>Pueblo Transit</b>										
Vehicles used in maximum service:										
Fixed Route	11	11	11	11	12	12	14	14	14	14
City-Lift	8	8	11	13	11	11	11	11	11	11

Sources: Various city departments.

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

**GOVERNMENT AUDITING STANDARDS**

**AND**

**OMB CIRCULAR A-133 SECTION**

**CITY OF PUEBLO, COLORADO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013**

**SUMMARY OF INDEPENDENT AUDITORS' RESULTS**

FINANCIAL STATEMENTS

An unmodified opinion was rendered on the basic financial statements as of and for the year ended December 31, 2013.

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes      X   None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes      X   None reported

An unmodified opinion was issued on compliance for major programs.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? \_\_\_\_\_ Yes      X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants/States Programs (ARRA Funds)
20.205	Highway Planning and Construction
20.500/20.507	Capital and Operating Assistance Cluster
20.500/20.507	Capital and Operating Assistance Cluster (ARRA Funds)

Dollar threshold used to distinguish between type A and type B programs \$ 442,240

Auditee qualified as a low-risk auditee?   X   Yes    \_\_\_\_\_ No

**FINANCIAL STATEMENT FINDINGS**

No financial statement findings were noted.

**FEDERAL AWARD FINDINGS**

No findings or questioned costs for federal awards were noted.



McPherson,  
Breyfogle,  
Daveline &  
Goodrich, P.C.  
Certified Public Accountants

503 N. Main St., Suite 740

Pueblo, CO 81003-3131

Phone (719) 543-0516

Fax (719) 544-2849

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

City Council  
City of Pueblo, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each discretely-presented component unit, each major fund, and the aggregate remaining fund information of the City of Pueblo, Colorado (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 25, 2014.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*McPherson, Bryfogle, Durkin & Goodrich, PC*

June 25, 2014



McPherson,  
Breyfogle,  
Daveline &  
Goodrich, PC  
Certified Public Accountants

503 N. Main St., Suite 740

Pueblo, CO 81003-3131

Phone (719) 543-0516

Fax (719) 544-2849

**INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

City Council  
City of Pueblo, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited the City of Pueblo, Colorado's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Pueblo, Colorado's major federal programs for the year ended December 31, 2013. The City of Pueblo, Colorado's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Pueblo, Colorado's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Pueblo, Colorado's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Pueblo, Colorado's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, the City of Pueblo, Colorado complied, in all material respects, with the types of 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, 2013.

## **Report on Internal Control Over Compliance**

Management of the City of Pueblo, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Pueblo, Colorado's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Pueblo, Colorado's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

## Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the City of Pueblo, Colorado as of and for the year ended December 31, 2013, and have issued our report thereon dated June 25, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Mr. Pearson, Brynleigh, Dworkin & Goodrich, PC*

June 25, 2014 with respect to the section entitled Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and September 22, 2014 with respect to the sections entitled Opinion on Each Major Federal Program and Report on Internal Control Over Compliance

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2013**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY'S IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Direct assistance –			
Cooperative forestry assistance	10.664	-	\$ <u>2,000</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>2,000</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct assistance -			
Community development block grants/entitlement grants cluster	14.218	-	\$ 1,072,740
Community development block grants/states' programs (ARRA funds)	14.228	-	1,356,945
Home investments partnership program	14.239	-	<u>570,068</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>2,999,753</u>
<u>U.S. DEPARTMENT OF INTERIOR</u>			
Passed through Colorado Division of Wildlife -			
Sportfish restoration program	15.605	13-FIF-52188	91,918
Passed through Colorado Historical Society –			
Historic preservation grants in aid	15.904	CO-13-017	<u>2,490</u>
TOTAL U.S. DEPARTMENT OF INTERIOR			<u>94,408</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct assistance –			
Federal treasury/asset forfeiture	16.111	-	36,049
Edward Byrne memorial justice assistance grant program cluster	16.738	-	106,517
Passed through Colorado Department of Criminal Justice -			
Edward Byrne memorial justice assistance program cluster (ARRA funds)	16.803	29-JR-06-33-1	<u>5,578</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>148,144</u>

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Cont'd.)**  
**YEAR ENDED DECEMBER 31, 2013**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY'S IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct assistance -			
Airport improvement program	20.106	-	7,689,268
Federal transit capital and operating assistance grants cluster	20.500/20.507	-	2,167,870
Federal transit capital and operating assistance grants cluster (ARRA funds)	20.500/20.507	-	43,949
Passed through Colorado Department of Transportation --			
Highway planning and construction	20.205	various	968,032
State and community highway safety	20.600	various	20,271
Passed through Pueblo Area Council of Governments --			
Federal transit technical studies grant	20.505	not available	<u>269,103</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>11,158,493</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Passed through Colorado Water Resources and Power Development Authority --			
Capitalization grants for clean water state revolving funds	66.458	WPCRF loan No. W10A141	<u>286,885</u>
TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u>286,885</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through Crossroads Turning Point --			
Substance abuse and mental health services	93.243	not available	<u>36,781</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>36,781</u>

**CITY OF PUEBLO, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Cont'd.)**  
**YEAR ENDED DECEMBER 31, 2013**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY'S IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct assistance –			
Assistance to firefighters grant	97.044	-	_____ 14,859
 TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			 _____ 14,859
  TOTAL EXPENDITURES OF FEDERAL AWARDS			  _____ <u>\$ 14,741,323</u>

**CITY OF PUEBLO, COLORADO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2013**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Pueblo, Colorado and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 - OTHER ITEMS**

Included in federal expenditures on the schedule of expenditures of federal awards are payments to sub-recipients as follows:

<u>CFDA#</u>	<u>Program Title</u>	<u>Amount</u>
14.218	Community Development Block Grant/Entitlement Grants Cluster	\$ 238,373
14.239	Home Investment Partnership Program	103,786
16.738	Edward Byrne Memorial Justice Assistance Grant Program Cluster	21,256