

PUEBLO COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FOR THE YEAR ENDING
December 31, 2012**

PUEBLO COUNTY, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2012

Prepared By:
Office of Budget & Finance

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**PUEBLO COUNTY, COLORADO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2012**

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INTRODUCTORY SECTION

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TERRY A. HART
CHAIRMAN
DISTRICT 1



SAL PACE
COMMISSIONER
DISTRICT 3

LIANE "BUFFIE" MCFADYEN
CHAIR PRO TEM
DISTRICT 2

CALVIN A. HAMLER, CPA
DIRECTOR

OFFICE OF BUDGET AND FINANCE

September 13, 2013

To: Board of County Commissioners
Citizens of Pueblo County, Colorado

The Comprehensive Annual Financial Report (CAFR) of Pueblo County for the year ended December 31, 2012 is hereby submitted as mandated by Colorado. It is required that Pueblo County issue annually a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of Pueblo County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Pueblo County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Pueblo County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Pueblo County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement; and documentation of its internal control system is completed. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Pueblo County's financial statements have been audited by McPherson, Breyfogle, Daveline & Goodrich PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Pueblo County for the fiscal year ended December 31, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Pueblo County's financial statements for the fiscal year ended December 31, 2012 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Pueblo County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The Single Audit Report is included as a schedule of

statements in the final section of this CAFR.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Pueblo County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Incorporated in 1861, Pueblo County is located in southeastern Colorado and is the tenth largest populated county in the state. With a land area of 2,414 square miles and a 2010 census population of 159,477, the County boundary includes the City of Pueblo, along with several smaller communities of Pueblo West, Boone, Avondale, Colorado City, Beulah and Rye. County government is responsible for performing functions in all areas, both urban and rural.

As a subdivision of Colorado, the Board of County Commissioners (BOCC) of Pueblo County serves as both the administrative and policy-making body for the organization. Policymaking and legislative authority is vested in the three-member board, which consists of a chairperson, chair pro-tem and commissioner. Board members are elected to four-year staggered terms with one to two board members elected every two years. In 2012, the County experienced turnover in all three board members; two from election and one from appointment filling the vacancy of the third commissioner who ran and was elected as District Attorney. All of the board members are elected (with one appointed in 2012) from within their respective districts. There are no at-large members.

The BOCC is responsible, among other things, for passing resolutions, adopting the budget, appointing boards and committees, and hiring the government's appointed officials. Constitutionally, the BOCC also sits as the County Board of Equalization and fills all vacancies in County offices other than those for County Commissioner and for Public Trustee.

The government provides constitutionally mandated services including those provided by the elected offices of the Clerk & Recorder, Assessor, Treasurer, Sheriff, District Attorney, Coroner, and Surveyor. A wide range of other public services, including the construction and maintenance of streets and infrastructure; social, housing and human services; recreational and cultural activities, housing programs, community corrections, and economic development are carried out by internal departments and agencies under Pueblo County government. The County government is empowered to levy property tax on both real and personal property located within its boundaries.

The annual budget serves as the foundation for Pueblo County's financial planning and control. All departments and offices of Pueblo County are required to submit requests for appropriation to the Budget Director on or before August 31 of each year. The Budget Director uses these requests as the starting point for developing a proposed budget. The Budget Director then presents this proposed budget to the commissioners for review prior to October 15. State statute requires that the budget be available for public inspection by October 15 of each year. The commissioners are required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 15. The appropriated budget is prepared by fund. Transfers of appropriations can be made that do not change the total appropriation for the fund. Increases in fund appropriations must be done with a formal budget amendment which requires a public hearing on the amendment and formal adoption by the BOCC. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Pueblo County operates.

Local Economy

Pueblo County has developed a varied manufacturing and industrial base, which accounts for a relatively stable unemployment rate. Major industries with headquarters or divisions located within the County government's boundaries or in close proximity include manufacturers of fruit processing machines, carbon brakes, pet food, chemicals, steel, water chillers, wind towers, and high intensity precision machinery and several financial, telemarketing, warehousing and insurance institutions. The State also has a major economic presence in the area thanks to a major mental health facility and correctional institution.

Pueblo County's 2012 unemployment rate of 10.7% was higher than the State's average of 8.0% and higher than the U.S. average of 8.0%. Pueblo County's rate has historically been higher than the State & federal rate. The region's Economic Development Council views the unemployment rate as a selling point in their work toward attracting new employers to the region as there is a strong workforce readily available for work. The County is optimistic this rate will decrease in the short term. The region (which includes the government and the surrounding unincorporated area) has a labor force exceeding 74,000 civilians.

There is a recent trend towards some residential growth, particularly in areas outside the City limits of Pueblo.

Long-Term Financial Planning

Due to flattened revenue streams, the County has directed its budgeting efforts at allocating limited dollars to areas of highest need. Looking forward, it is anticipated there will be some smaller industrial expansions in the next several years that should give a boost to property tax revenues.

Since 2010, attention has been directed at the many other improvements and replacements needed in the County's aging infrastructure. In May 2011, the commissioners moved to construct a new Judicial Complex building, needed to address increased usage of the courts and to better serve and protect witnesses and victims, which is on schedule to be completed in March 2014. Commissioners also moved to construct a new Emergency Operations Center, to address regional emergency management services needs, which is 100% funded by federal FEMA grant dollars and scheduled to be completed in December 2013. Many roadway safety improvements and recreation facility improvements identified by working with the various communities in the County were also implemented in 2012.

Library Debt Service Fund

In conformity with State statutory requirements, Pueblo County, on December 28, 1999, issued \$14,000,000 of general obligations bonds on behalf of the Pueblo Library District. The bond issue for library expansion was approved by voters on November 2, 1999. The County's debt service on the twenty (20) year bonds will be provided by a property tax mill levy. During 2005, a portion of these bonds were advanced refunded resulting in an economic gain for the County. The expanded facility is the property of the Pueblo Library District which received voter approval in 2006 to 'Debruce' exempting the District from State Amendment One TABOR limits. In 2012, the Library District announced the construction of five new branch offices.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pueblo County for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2011. This was the fourteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff in County Finance and Budget. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Special credit goes out to Sherri Crow, Accounting Manager, and Aimee Tihonovich, Budget Manager, for their dedicated work supporting this audit. I would also like to extend special thanks to the dedicated professionals at McPherson, Breyfogle, Daveline & Goodrich, PC, who perform our annual financial audit.

Finally, acknowledgement must be given to the County Commissioners for their interest and support in managing the operations of the County in a responsible and transparent manner. It is my distinct privilege to serve as a department director for a county that exemplifies charity, integrity and ethics; and I am honored to be a member of the Pueblo County government.

Respectfully submitted,

A handwritten signature in black ink that reads "Calvin A. Hamler, CPA". The signature is written in a cursive style.

Calvin A Hamler, BS/MS/MBA/CPA

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pueblo County
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morill

President

Jeffrey R. Enos

Executive Director

**PUEBLO COUNTY, COLORADO
LISTING OF PRINCIPAL OFFICIALS
DECEMBER 2012**

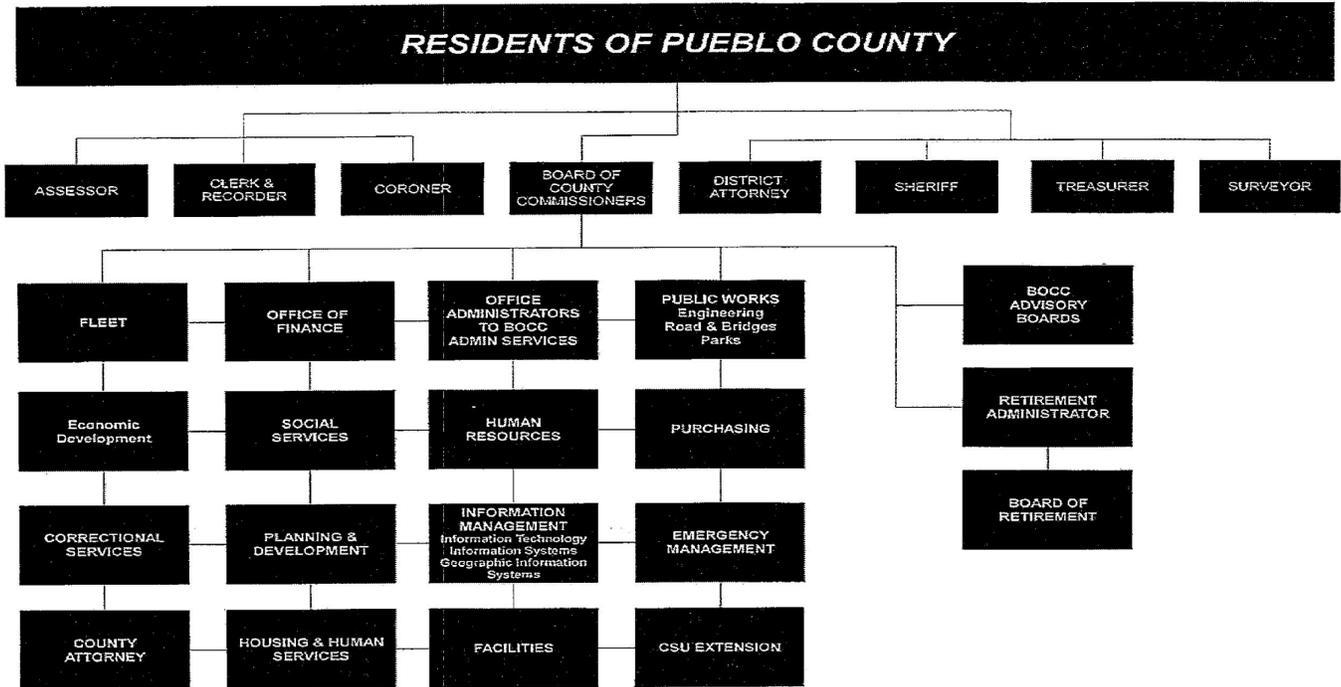
Elected Officials

Commissioner/Chairperson	Anthony Nuñez
Commissioner	J.E. Chostner
Commissioner	John B. Cordova
Surveyor	Randy Reeves
Clerk & Recorder	Gilbert Ortiz
Assessor	Frank Beltran
Treasurer	Del Olivas
District Attorney	William Thiebaut
Sheriff	Kirk Taylor
Coroner	Jim Kramer

Appointed Department Directors

Interim County Attorney	Peter Blood
Human Resources	Patsy Cresswell
Office of Budget & Finance	Calvin Hamler
Information Technology	Ed Martinez
Purchasing	Nick Vunovich
Planning & Development	Joan Armstrong
Public Works	Robert Schmidt
Fleet Management	Carl Chavez
Department of Emergency Management	Mark Mears
Social Services	Jose Mondragon
Housing & Human Services	Theodore Ortiviz
CSU Extension	Valerie Billings
Economic Development	Aimee Tihonovich

PUEBLO COUNTY GOVERNMENT ORGANIZATIONAL CHART



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FINANCIAL SECTION

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

503 N. Main St.
Suite 740
Pueblo, CO 81003
Phone (719) 543-0516
Fax (719) 544-2849

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Pueblo County, Colorado
Pueblo, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pueblo County, Colorado (the County), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County'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.

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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 activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Pueblo County, Colorado, as of December 31, 2012, 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.

Emphasis of Matter

As described in Note 3.G and 3.H to the basic financial statements, the County adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which restated beginning net position for items previously reported as assets.

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 15 and the budgetary comparison schedules and schedules of funding progress as listed in the table of contents on pages 83 through 89 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pueblo County, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements and schedules; the local highway finance report; the schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the other information labeled as the introductory section and 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, the local highway finance report, and the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate 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, the local highway finance report, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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The introductory and statistical sections have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2013, on our consideration of Pueblo County, 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 Pueblo County, Colorado's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "McPherson, Bryfogle, Davlin & Goodrich, PC". The signature is written in a cursive style.

September 13, 2013

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Pueblo County, we offer readers of Pueblo County's financial statements this narrative overview and analysis of the financial activities of Pueblo County for the fiscal year ended December 31, 2012. We encourage you to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Pueblo County's basic financial statements. The basic financial statements include a series of financial statements that consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements.

The *Statement of Net Position* and the *Statement of Activities* (on pages 16 and 17) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 19. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending.

Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds.

In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Pueblo County.

Government-wide Financial Statements. Our analysis of the County as a whole begins on page 16. One of the most important questions asked about the County's finances is, "Is the County as a whole better or worse off as a result of the year's activities?" The *Statement of Net Position* and the *Statement of Activities* report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

The *Statement of Activities* presents information showing how Pueblo County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are

reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee vacation leave).

The government-wide statements are divided into three categories: governmental activities, business-type activities, and component units. The governmental activities include most of the County's basic services such as public safety, road & bridge, and general government. Property taxes and state and federal grant funds finance most of these activities. Desert Hawk Golf Course is a business-type activity as customers are charged a fee to play the course. The component units are separate legal entities for which Pueblo County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Pueblo County, like other governmental entities, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as State statutes. All of the funds of Pueblo County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic functions are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash; and what monies at year-end will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps to determine if there are financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Pueblo County maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, the Social Services Fund and the Capital Projects Fund, all of which are considered to be major funds. Data from the other fourteen governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining Statements elsewhere in the supplemental information of this report.

Pueblo County adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

Proprietary Funds. Pueblo County has one kind of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Pueblo County uses an enterprise fund to account for its Desert Hawk Golf Course.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Pueblo County has six fiduciary funds, one of which is a pension trust fund and five of

which are agency funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Pueblo County's own programs.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Pueblo County's progress in funding its obligation to provide pension and other post employment benefits to its employees.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the County exceeded liabilities by \$140,868,275 as of December 31, 2012.

The largest portion of the County's net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment). The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. The business-type activity investment in net position is offset by related debt. It should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate this liability.

Included in the long term liabilities in the governmental activities category are general obligation library bonds with an outstanding balance of \$6,795,000. The library is owned by the Library District and thus is not part of the capital assets for the County.

An additional portion of the County's net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position may be used to meet the government's daily cash flow needs and ongoing obligations to citizens and creditors. However, the unrestricted balance is negative \$64,527,384; therefore, none may be used to meet the government's ongoing obligations to citizens and creditors. The following table shows the net position balance was \$143,380,697 at the end of fiscal year 2011. Therefore, the results of 2012 activities of the Pueblo County primary government decreased net position by \$2,512,422.

In 2012, Pueblo County implemented GASB Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and GASB Statement 65, Items Previously Reported as Assets and Liabilities, which is a companion standard to GASB 63. See page 36 of the notes to the financial statements for more information on these two GASB pronouncements.

GASB 65 requires restatement of net position at 12/31/2011. The statements of net position and change in net position that follow include a comparable restatement for net position at 12/31/2011.

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Pueblo County's Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011 Restated</u>	<u>2012</u>	<u>2011 Restated</u>	<u>2012</u>	<u>2011 Restated</u>
Current and Other Assets	\$ 141,395,303	\$ 94,808,132	\$ 1,102,823	\$ (2,387,080)	\$ 142,498,126	\$ 92,421,052
Net Capital Assets	<u>185,648,827</u>	<u>172,129,676</u>	<u>5,407,407</u>	<u>5,491,092</u>	<u>191,056,234</u>	<u>177,620,768</u>
Total Assets	<u>327,044,130</u>	<u>266,937,808</u>	<u>6,510,230</u>	<u>3,104,012</u>	<u>333,554,360</u>	<u>270,041,820</u>
Deferred Outflows of Resources	<u>448,511</u>	<u>53,260</u>	<u>493,672</u>	<u>42,396</u>	<u>942,183</u>	<u>95,656</u>
Long-Term Liabilities	124,689,579	62,914,982	10,250,896	9,771,269	134,940,475	72,686,251
Other Liabilities	<u>9,293,042</u>	<u>53,943,985</u>	<u>40,463</u>	<u>30,887</u>	<u>9,333,505</u>	<u>53,974,872</u>
Total Liabilities	<u>133,982,621</u>	<u>116,858,967</u>	<u>10,291,359</u>	<u>9,802,156</u>	<u>144,273,980</u>	<u>126,661,123</u>
Deferred Inflows of Resources	<u>49,354,288</u>	<u>275,965</u>	-	-	<u>49,354,288</u>	<u>275,965</u>
Net Position						
Net Investment in Capital Assets	158,573,781	162,146,287	358,781	155,022	158,932,562	162,301,309
Restricted	46,463,097	6,152,043	-	-	46,463,097	6,152,043
Unrestricted	<u>(60,881,146)</u>	<u>(18,219,489)</u>	<u>(3,646,238)</u>	<u>(6,853,166)</u>	<u>(64,527,384)</u>	<u>(25,072,655)</u>
Total Net Position	<u>\$ 144,155,732</u>	<u>\$ 150,078,841</u>	<u>\$ (3,287,457)</u>	<u>\$ (6,698,144)</u>	<u>\$ 140,868,275</u>	<u>\$ 143,380,697</u>

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2011 Restated</u>	<u>2011</u>	<u>2011 Restated</u>	<u>2011</u>	<u>2011 Restated</u>
Current and Other Assets	\$ 95,384,816	\$ 94,808,132	\$ (2,387,080)	\$ (2,387,080)	\$ 92,997,736	\$ 92,421,052
Net Capital Assets	<u>172,129,676</u>	<u>172,129,676</u>	<u>5,533,488</u>	<u>5,491,092</u>	<u>177,663,164</u>	<u>177,620,768</u>
Total Assets	<u>267,514,492</u>	<u>266,937,808</u>	<u>3,146,408</u>	<u>3,104,012</u>	<u>270,660,900</u>	<u>270,041,820</u>
Deferred Outflows of Resources	-	<u>53,260</u>	-	<u>42,396</u>	-	<u>95,656</u>
Long-Term Liabilities	62,914,982	62,914,982	9,771,269	9,771,269	72,686,251	72,686,251
Other Liabilities	<u>53,668,020</u>	<u>53,943,985</u>	<u>30,887</u>	<u>30,887</u>	<u>53,698,907</u>	<u>53,974,872</u>
Total Liabilities	<u>116,583,002</u>	<u>116,858,967</u>	<u>9,802,156</u>	<u>9,802,156</u>	<u>126,385,158</u>	<u>126,661,123</u>
Deferred Inflows of Resources	-	<u>275,965</u>	-	-	-	<u>275,965</u>
Net Position						
Net Investment in Capital Assets	162,146,287	162,146,287	155,022	155,022	162,301,309	162,301,309
Restricted	6,152,043	6,152,043	-	-	6,152,043	6,152,043
Unrestricted	<u>(17,366,840)</u>	<u>(18,219,489)</u>	<u>(6,810,770)</u>	<u>(6,853,166)</u>	<u>(24,177,610)</u>	<u>(25,072,655)</u>
Total Net Position	<u>\$ 150,931,490</u>	<u>\$ 150,078,841</u>	<u>\$ (6,655,748)</u>	<u>\$ (6,698,144)</u>	<u>\$ 144,275,742</u>	<u>\$ 143,380,697</u>

Pueblo County's Change In Net Position

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
	<u>2012</u>	<u>2011</u> <u>Restated</u>	<u>2011</u> <u>Original</u>	<u>2012</u>	<u>2011</u> <u>Restated</u>	<u>2011</u> <u>Original</u>
Revenues:						
Program Revenues:						
Charges for Service	\$ 14,330,479	\$ 8,632,085	\$ 8,632,085	\$ 799,969	\$ 782,491	\$ 782,491
Operating Grants & Contributions	32,679,217	35,567,903	35,262,839	-	-	-
Capital Grants & Contributions	3,253,938	2,207,862	2,207,862	22,397	-	-
General Revenues:						
Property Taxes	43,321,344	42,894,697	42,894,697	-	-	-
Other Taxes	19,330,567	18,645,020	18,645,020	-	-	-
Unrestricted						
Investment Earnings	499,830	319,990	319,990	1,100	704	704
Other	794,123	334,432	334,432	-	-	-
Total Revenues	<u>114,209,498</u>	<u>108,601,989</u>	<u>108,296,925</u>	<u>823,466</u>	<u>783,195</u>	<u>783,195</u>
Expenses:						
General Government	28,467,540	31,381,568	31,381,568	-	-	-
Public Safety	30,600,018	29,359,229	29,359,229	-	-	-
Road & Bridge	14,467,477	14,171,522	14,171,522	-	-	-
Health, Welfare & Sanitation	29,516,271	30,503,159	30,503,159	-	-	-
Culture and Recreation	1,548,146	1,747,827	1,747,827	-	-	-
Conservation	728,653	698,566	698,566	-	-	-
Urban Redevelopment & Housing	3,179,606	3,502,509	3,502,509	-	-	-
Economic Development & Assistance	2,625,429	1,480,530	1,480,530	-	-	-
Interest on Long-Term Debt	5,090,440	2,693,937	2,737,341	-	-	-
Desert Hawk Golf Course	-	-	-	1,321,806	1,353,414	1,359,114
Total Expenses	<u>116,223,580</u>	<u>115,538,847</u>	<u>115,582,251</u>	<u>1,321,806</u>	<u>1,353,414</u>	<u>1,359,114</u>
Change in Net Position						
Before Transfers	(2,014,082)	(6,936,858)	(7,285,326)	(498,340)	(570,219)	(575,919)
Transfers	(3,909,027)	(50,000)	(50,000)	3,909,027	50,000	50,000
Change in Net Position	(5,923,109)	(6,986,858)	(7,335,326)	3,410,687	(520,219)	(525,919)
Net Position, Beginning	<u>150,078,841</u>	<u>157,065,699</u>	<u>158,266,816</u>	<u>(6,698,144)</u>	<u>(6,177,925)</u>	<u>(6,129,829)</u>
Net Position, Ending	<u>\$144,155,732</u>	<u>\$150,078,841</u>	<u>\$150,931,490</u>	<u>\$ (3,287,457)</u>	<u>\$ (6,698,144)</u>	<u>\$ (6,655,748)</u>

- Continued -

<u>2012</u>	<u>Total 2011 Restated</u>	<u>2011 Original</u>	<u>2012 vs 2011 Restated Variance</u>	<u>2011 Restated Variance</u>	<u>2012 vs 2011 Restated Variance Percentage</u>	<u>2011 Restated Variance Percentage</u>
\$ 15,130,448	\$ 9,414,576	\$ 9,414,576	\$ 5,715,872	\$ -	61 %	- %
32,679,217	35,567,903	35,262,839	(2,888,686)	305,064	(8)%	1 %
3,276,335	2,207,862	2,207,862	1,068,473	-	48 %	- %
43,321,344	42,894,697	42,894,697	426,647	-	1 %	- %
19,330,567	18,645,020	18,645,020	685,547	-	4 %	- %
500,930	320,694	320,694	180,236	-	56 %	- %
794,123	334,432	334,432	459,691	-	137 %	- %
<u>115,032,964</u>	<u>109,385,184</u>	<u>109,080,120</u>	<u>5,647,780</u>	<u>305,064</u>	<u>5 %</u>	<u>- %</u>
28,467,540	31,381,568	31,381,568	2,914,028	-	9 %	-
30,600,018	29,359,229	29,359,229	(1,240,789)	-	(4)%	-
14,467,477	14,171,522	14,171,522	(295,955)	-	(2)%	-
29,516,271	30,503,159	30,503,159	986,888	-	3 %	-
1,548,146	1,747,827	1,747,827	199,681	-	11 %	-
728,653	698,566	698,566	(30,087)	-	(4)%	-
3,179,606	3,502,509	3,502,509	322,903	-	9 %	-
2,625,429	1,480,530	1,480,530	(1,144,899)	-	(77)%	-
5,090,440	2,693,937	2,737,341	(2,396,503)	(43,404)	(89)%	2 %
1,321,806	1,353,414	1,359,114	31,608	(5,700)	2 %	-
<u>117,545,386</u>	<u>116,892,261</u>	<u>116,941,365</u>	<u>(653,125)</u>	<u>(49,104)</u>	<u>(1)%</u>	<u>- %</u>
(2,512,422)	(7,507,077)	(7,861,245)	4,994,655	354,168	67 %	5 %
-	-	-	-	-	-	-
(2,512,422)	(7,507,077)	(7,861,245)	4,994,655	354,168	67 %	5 %
143,380,697	150,887,774	152,136,987	(7,507,077)	(1,249,213)	(5)%	(1)%
<u>\$ 140,868,275</u>	<u>\$143,380,697</u>	<u>\$144,275,742</u>	<u>\$ (2,512,422)</u>	<u>\$ 895,045</u>	<u>(2)%</u>	<u>(1)%</u>

At the end of the current fiscal year, Pueblo County is able to report a positive balance in Net Position for the government as a whole and for its governmental activities. Its business-type activity represents the financial position for a golf course at Pueblo West that has been owned by the County since 2000.

The *Desert Hawk Golf Course* was purchased by the County from a private owner who was not able to properly maintain the golf course. In order to prevent a decline in property values at Pueblo West and to meet a recreational demand in the community, the County entered into an intergovernmental agreement with Pueblo West Metropolitan District (the District) to purchase, repair and manage the golf course at Pueblo West. The County remains optimistic the golf course will be self supporting after the COP debt, issued in 2005 to refinance the purchase, is retired; and remains supportive of this program in order to provide for the recreational needs of the community.

The negative balance in net position for this business-type activity is a result of recognizing transfers since 2000 from the County's General Fund and Road & Bridge Fund to the golf course as advances to be repaid. In 2012, the County reversed the interfund receivable from the golf enterprise; realizing those advances will not be repaid in a reasonable time period as prescribed by GASB Statement 34. However, an Inter-Governmental Agreement ensures the long-term advances from the County will be repaid by the operation of the golf course; and recent operating history of the golf course shows repayment is possible to begin once the COP debt is retired in 2024. For example since January 2011, the golf course operation has been paying the District for untreated water used to maintain the golf course versus accumulating a contribution from the District, also which must be repaid once the debt is retired.

Governmental Activities. Current and other assets increased by 49% in 2012 over the prior year as \$46 million of \$57.9 million in proceeds from issuance of \$55 million of COPs in March 2012 remained in liquid investments at year end to fund construction, scheduled for completion in March 2014, of a new judicial building in the City of Pueblo. Also, the first of three annual payments of \$5 million from the Colorado Springs Utility Company remained on-hand to mitigate road construction and maintenance for a new Southern Delivery System with a 60 inch diameter steel underground pipeline designed to deliver water from Lake Pueblo near the District to the City of Colorado Springs. Accounts receivables net of allowances increased \$2.5 million or 4% over the prior period mainly from \$2.1 million increase in taxes receivable on increased State-assessed valuation of industrial personal property from the prior year.

Deferred insurance costs increased \$851,161 in 2012 on the above-mentioned issuance of COPs in March 2012. Net capital assets increased \$13.5 million or 8% from the prior year on: \$8.9 million increase in building construction in progress also mentioned above; \$6.6 million increase on infrastructure improvements including \$6.1 million for roads; \$6.2 million increase in buildings and improvements including \$4.1 million in energy performance initiative upgrades to various buildings funded by cash reserves along with \$1.9 million for a new fiber optics Voice over Internet Protocol (VoIP) system which is funded by a 5-year capital lease recognized in 2011 to fund replacement of the County's outdated and costly-to-maintain telephone and communications system; along with \$.9 million in software development costs; all offset by \$9.2 million increase in government-wide total accumulated depreciation.

Liabilities increased \$17.3 million or 15% over the prior year. Long-term liabilities increased \$59.4 million or 94% mainly on issuance of COPs mentioned above. Other liabilities decreased \$42.0 million and deferred inflows of resources increased \$49.1 million on implementation of GASB Statements 63 and 65 in 2012. The unfunded OPEB obligation increased \$222 thousand or 15%.

The pension plan experienced a net actuarial loss of \$4.5 million. The rate of return on the actuarial value of assets was about 1.4%, which fell short of the assumed rate of 8.0% by 6.6%, resulting in an asset loss of \$7.1 million. The plan also experienced a liability gain of \$2.6 million, primarily from salary increases being less than expected. As a result of the net actuarial loss, the actuarially required contribution rate increased from 21.5% in 2012 to 23.1% for 2013 prior to changes in two assumptions and Plan provisions: a) the assumed investment rate of return was decreased from 8.0% to 7.5% and b) both the assumed inflation and salary increase rates were decreased by 0.5%.

Net position decreased \$6.0 million or 4.0% in the fiscal year as a result of governmental activities.

Business-Type Activities. Business-type activities increased the County's net position by \$3,410,687 in 2012 mainly on the write off of \$3.5 million of advances from the General Fund and \$414,000 of advances from the Road & Bridge Fund. In the prior year, Net position as restated decreased by \$520,219 in the business-type activities. As mentioned previously, the business-type activity for the County is the Desert Hawk Golf Course. The golf course has not been profitable due to the debt service payments on the COPs that financed the purchase of the course. The enterprise supports operating expenses but does not contribute toward debt repayments. The County and Pueblo West Metropolitan District are lending money to the Desert Hawk Golf Course in order to meet debt repayment requirements on COPs. Course operations are expected to begin to repay PWMD and the County after the COPs debt is retired in 2024. The County reviewed its annual advances made to the enterprise and determined they do not continue to meet the criteria for reporting as interfund receivables and payables under generally accepted accounting principles. While the anticipated repayment schedule may ultimately come to fruition, December 2024 is not a "reasonable time" as promulgated by GASB Statement #34, section 112a(1) for repayment of the advances. In addition, the operating results of the enterprise since inception provide little evidence that this fund will be able to repay the County advances in a reasonable time after repayments begin.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Pueblo County's governmental funds is to provide information on near-term inflows, outflows, and balances of useable resources. Such information is useful in assessing Pueblo County's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Pueblo County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$15,250,351 while total fund balance was \$24,368,489. The unassigned fund balance is needed to meet two months of normal expenditures of County operations. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 39% of General Fund expenditures in 2012 versus 45% in 2011. General Fund fund balance decreased by \$3,753,571 mainly from write off of prior years of advances to the business-type activities fund mentioned above.

Social Service fund balance increased by \$692. Due to an increased demand for health and welfare benefits by a growing number of qualified recipients in Pueblo County and based on the worsening local economy, \$1.4 million more local property tax revenue was appropriated to the Social Services Fund for

2012 to backfill money depleted by the State from its Property Tax Relief Fund established to provide funds for mandated County matching of funds provided for the various federal social services programs.

Capital Projects fund balance increased by \$42,076,370 on construction in progress mentioned above of two new buildings for a judicial complex and an emergency operations center in the City of Pueblo.

Fund balance in the Non-Major Governmental Funds increased by \$2,709,170 in 2012 mainly on the Road and Bridge Fund with an increase in fund balance of \$3,676,258 which became a non-major fund in 2012.

General Fund Budgetary Highlights. The County revised its 2012 budget after the fiscal year end as allowed by state statute. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Amended appropriations to the General Fund reduced the fund's total budget by \$2,427,000 to represent the actual spending authority during the year resulting from changes not known at the time the original budget was adopted. The CSEPP budget was reduced by \$6,500,000 for an allocation of funds provided for the construction of the new Emergency Operation Center building as the project was not started until late in the year and will be charged to the Capital Projects fund rather than the General Fund. The Sheriff-Detention budget was increased by \$310,000 for operating and capital equipment needs to be funded by increased inmate intake release funds. Transfers out to Desert Hawk Golf Course line item increased by \$3,188,000 to write-off an interfund receivable from the Golf Course Fund as mentioned earlier. These increases were funded by reserves held in anticipation of this need. Appropriation to the General Fund was increased to show the increased spending authority resulting from an unanticipated legal settlement received in the amount of \$575,000. Also, an additional appropriation of \$58,000 was made to the Golf Course Fund to account for higher spending needs of the golf operation not anticipated in the original budget and funded by golf operation proceeds.

Appropriation of \$5,414,000 to the Road & Bridge Fund was necessary to show the increased spending authority resulting from receipt of unanticipated mitigation fees collected of \$5,000,000 and to write-off an Interfund Receivable from the Golf Course Fund in the amount of \$414,000 as mentioned earlier. These increases were funded by reserves held in anticipation of this need.

Additional appropriation of \$33,000 to the Housing and Human Services Fund was due to additional grant revenue received from HUD which was not anticipated at the time the budget was adopted. Appropriation of \$450,000 to the Capital Projects Fund was made from grant revenue received on work started on the construction of a new Emergency Operations Center building located in the City of Pueblo.

Proprietary Funds. Pueblo County's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Net Position of the Desert Hawk Golf Course at the end of the fiscal year amounted to a deficit of \$3,287,457. Other factors concerning the finances of this fund have already been addressed in the discussion of County's business-type activities.

Capital Assets and Debt Administration

Capital Assets. Pueblo County's capital assets for its governmental and business-type activities at December 31, 2012 total \$185,648,827 and \$5,407,407 respectively (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, furniture, vehicles, and intangibles.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2012	2011	2012	2011	2012	2011
Nondepreciable	\$ 12,322,944	\$ 12,290,405	\$ 4,402,683	\$ 4,402,683	\$ 16,725,627	\$ 16,693,088
Buildings and						
Improvements	75,970,828	69,758,851	362,041	362,041	76,332,869	70,120,892
Machinery and Equipment	24,948,462	24,748,365	895,856	880,674	25,844,318	25,629,039
Improvements Other than						
Buildings	-	-	1,484,405	1,474,580	1,484,405	1,474,580
Infrastructure	162,253,169	155,729,449	-	-	162,253,169	155,729,449
Software Development	5,835,257	4,920,031	-	-	5,835,257	4,920,031
Construction in Progress	19,562,575	10,700,080	-	-	19,562,575	10,700,080
Accumulated Depreciation	(115,244,408)	(106,017,505)	(1,737,578)	(1,586,490)	(116,981,986)	(107,603,995)
	<u>\$ 185,648,827</u>	<u>\$ 172,129,676</u>	<u>\$ 5,407,407</u>	<u>\$ 5,533,488</u>	<u>\$ 191,056,234</u>	<u>\$ 177,663,164</u>

More information on the County's capital assets can be found in the notes to the financial statements starting on page 53.

Long-Term Debt. As of December 31, 2012, Pueblo County had debt outstanding of \$108 million comprised of \$7 million of general obligation bonds, \$99 million of COPs debt and \$2 million of capital leases. \$5,483,408 is a lease-purchase arrangement with the PCCCC mentioned earlier. The principal and interest on these certificates is payable from annually appropriated base rentals paid by the County to PCCCC. A summary schedule of long-term debt follows.

General Obligation Bonds and Obligations Under Capital Lease

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ 6,903,339	\$ 7,230,040	\$ -	\$ -	\$ 6,903,339	\$ 7,230,040
Certificates of Participation	93,552,476	35,393,531	5,483,408	5,825,860	99,035,884	41,219,391
Subtotal	100,455,815	42,623,571	5,483,408	5,825,860	105,939,223	48,449,431
Capital Leases	1,874,015	1,921,064	58,887	118,503	1,932,902	2,039,567
Total Debt	<u>\$ 102,329,830</u>	<u>\$ 44,544,635</u>	<u>\$ 5,542,295</u>	<u>\$ 5,944,363</u>	<u>\$ 107,872,125</u>	<u>\$ 50,488,998</u>

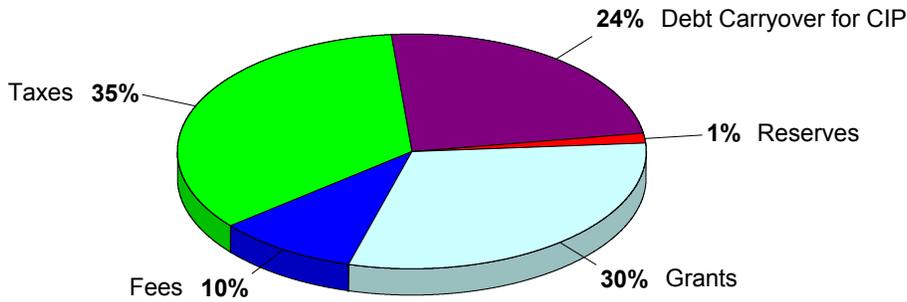
Pueblo County's long-term debt increased by \$57 million or 114% during the fiscal year with issuance of \$55 million of COPs to construct a judicial building and a capital lease to install a VoIP system mentioned earlier.

Colorado limits the amount of general obligation debt that a unit of government can issue to three percent of the total actual value of property located within that government's boundaries. The State debt limitation for Pueblo County is \$335,733,553. Since the library bond debt, COPs and capital leases are excluded in the State calculation of debt subject to the statutory debt limit, there is no debt outstanding against this limit. Information on the County's long-term debt is in the notes to the financial statements starting on page 57.

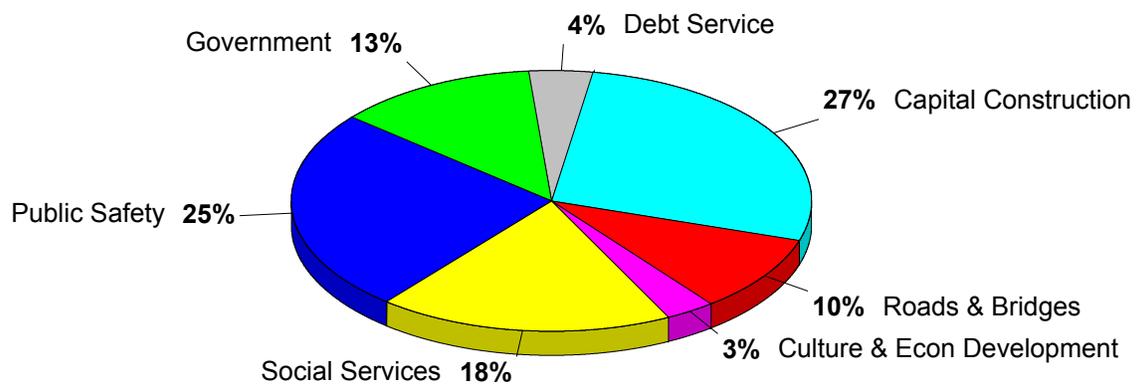
Projections

Next Year's Budget. The County's fiscal year 2013 budget has \$2,545,649 of deficit spending plus \$45 million carry-over of encumbrances for capital construction. Graphs of this \$187 million budget follow.

Revenues by Category



Expenditures by Category



Economic Factors Affecting Next Year's Budget and Rates

The following economic factors were considered in preparing the 2013 budget.

- Denver-Boulder-Greeley CPI rose 0.1% to 3.7% in 2012.
- Employment decreased by 0.8% or 567 jobs versus a 1.3% increase for the State in 2012.
- The County's average unemployment rate in 2012 rose to 10.7% from 10.2% for the previous year. This is higher than the State average of 8.0% and the national average of 8.0%.
- The number of new single family dwelling permits issued in Pueblo County for the year stood at 172, compared to 114 for 2011. This translates into a 51% increase.
- Pueblo County Public Trustee data shows 1,182 foreclosure filings in 2012 or a 6.7% drop in the number of third quarter home foreclosure filings compared to 1,267 filings in 2011.

Assigned fund balance in the General Fund ended the year at \$2,326,045 of which \$1,296,000 is included for spending in fiscal year 2013 budget. It is expected that the use of fund balance will avoid the need to raise taxes or reduce services in 2013.

Requests for Information

This financial report is designed to provide a general overview of Pueblo County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Calvin A. Hamler, CPA, Director of Budget and Finance, 215 W 10th St, Pueblo, CO 81003-2992 or emailed to hamlerc@co.pueblo.co.us.

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BASIC FINANCIAL STATEMENTS

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PUEBLO COUNTY, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Primary Government			Component Units
	Governmental Business-Type		Total	
	Activities	Activities		
ASSETS				
Cash and Cash Equivalents	\$ 15,808,354	\$ 23,695	\$ 15,832,049	\$ 2,126,806
Investments	58,987,120	-	58,987,120	50,692
Receivables, Net	58,090,560	4,004	58,094,564	313,373
Internal Balances, Net	7	(7)	-	-
Inventories	757,431	-	757,431	-
Prepaid Expenses	253,613	-	253,613	-
Unamortized Bond Insurance Costs	1,437,338	-	1,437,338	-
Restricted Cash and Cash Equivalents	6,060,880	618,131	6,679,011	-
Land Held for Development	-	457,000	457,000	-
Capital Assets:				
Land and Water Rights	11,901,088	4,402,683	16,303,771	-
Easements and Right-of-Ways	71,856	-	71,856	-
Construction in Progress	19,562,575	-	19,562,575	-
Collections and Works of Art	350,000	-	350,000	24,467
Non-Depreciable Capital Assets	31,885,519	4,402,683	36,288,202	24,467
Buildings and Improvements	75,970,828	362,041	76,332,869	-
Machinery and Equipment	24,948,462	895,856	25,844,318	500,607
Improvements other than Buildings	-	1,484,405	1,484,405	-
Infrastructure	162,253,169	-	162,253,169	-
Software Development	5,835,257	-	5,835,257	-
Less Accumulated Depreciation	(115,244,408)	(1,737,578)	(116,981,986)	(214,339)
Depreciable Capital Assets, Net	153,763,308	1,004,724	154,768,032	286,268
Total Capital Assets, Net	185,648,827	5,407,407	191,056,234	310,735
TOTAL ASSETS	327,044,130	6,510,230	333,554,360	2,801,606
Deferred Outflows of Resources	448,511	493,672	942,183	-
LIABILITIES				
Accounts Payable and Accrued Expenses	8,744,088	30,053	8,774,141	6,282
Due to Other Governmental Agencies	518,954	-	518,954	43,642
Advances from Others	30,000	10,410	40,410	-
Liabilities Due or Payable in One-Year or Less:				
Accrued Interest	1,442,332	21,733	1,464,065	-
General Obligation Bonds	855,000	-	855,000	-
Certificates of Participation	1,200,000	365,000	1,565,000	-
Capital Leases	343,613	28,937	372,550	-
Compensated Absences	480,000	-	480,000	-
Estimated Claims and Judgments	536,575	-	536,575	-
Liabilities Due or Payable after One-Year:				
General Obligation Bonds, Net	6,048,339	-	6,048,339	-
Certificates of Participation, Net	92,352,476	5,118,408	97,470,884	-
Capital Lease	1,530,402	29,950	1,560,352	-
Advances from Other Government	-	4,686,868	4,686,868	-
Compensated Absences	7,552,988	-	7,552,988	-
Estimated Claims and Judgments	1,067,398	-	1,067,398	-
Net OPEB Obligation	1,741,735	-	1,741,735	-
Net Pension Obligation	9,538,721	-	9,538,721	-
TOTAL LIABILITIES	133,982,621	10,291,359	144,273,980	49,924
Deferred Inflows of Resources	49,354,288	-	49,354,288	-
NET POSITION				
Net Investment in Capital Assets	158,573,781	358,781	158,932,562	310,735
Restricted for:				
TABOR	2,400,000	-	2,400,000	-
Capital Projects	43,959,721	-	43,959,721	-
Debt Service	103,376	-	103,376	-
Unrestricted	(60,881,146)	(3,646,238)	(64,527,384)	2,440,947
TOTAL NET POSITION	\$ 144,155,732	\$ (3,287,457)	\$ 140,868,275	\$ 2,751,682

The accompanying notes are an integral part of this statement.

**PUEBLO COUNTY, COLORADO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012**

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Function/Program Activities:				
GOVERNMENTAL ACTIVITIES				
General Government	\$ 28,467,540	\$ 5,356,488	\$ 2,429,143	\$ -
Public Safety	30,600,018	3,045,312	4,886,385	830,916
Road and Bridge	14,467,477	5,276,297	4,784,919	1,827,600
Health, Welfare and Sanitation	29,516,271	293,962	19,296,830	-
Culture and Recreation	1,548,146	93,051	-	595,422
Conservation	728,653	135,728	4,862	-
Urban Redevelopment and Housing	3,179,606	129,641	1,264,578	-
Economic Development and Assistance	2,625,429	-	12,500	-
Interest on Long-Term Debt	5,090,440	-	-	-
Total Governmental Activities	116,223,580	14,330,479	32,679,217	3,253,938
BUSINESS-TYPE ACTIVITIES				
Desert Hawk Golf Course	1,321,806	799,969	-	22,397
Total Business-Type Activities	1,321,806	799,969	-	22,397
Total Primary Government	\$ 117,545,386	\$ 15,130,448	\$ 32,679,217	\$ 3,276,335
COMPONENT UNITS				
Pueblo County Community Development Corp.	\$ 3,492	\$ 30,075	\$ -	\$ -
Pueblo County Emergency Telephone Service Authority	537,335	467,353	-	-
Runyon Sports Complex Commission, Inc.	617,591	499,942	110,911	-
Total Component Units	\$ 1,158,418	\$ 997,370	\$ 110,911	\$ -

GENERAL REVENUES

Property Taxes Levied for -
 General Purposes
 Debt Service
 Sales and Use Taxes
 Specific Ownership Taxes
 Unrestricted Investment Earnings
 Miscellaneous

TRANSFERS

Total General Revenues and Transfers

CHANGE IN NET POSITION

NET POSITION, Beginning of Year, as Restated

NET POSITION, End of Year

The accompanying notes are an integral part of this statement.

Net (Expenses) Revenue and Changes in Net Assets

<u>Primary Government</u>			
<u>Governmental</u>	<u>Business-Type</u>	<u>Totals</u>	<u>Component</u>
<u>Activities</u>	<u>Activities</u>		<u>Units</u>
\$ (20,681,909)	\$ -	\$ (20,681,909)	-
(21,837,405)	-	(21,837,405)	-
(2,578,661)	-	(2,578,661)	-
(9,925,479)	-	(9,925,479)	-
(859,673)	-	(859,673)	-
(588,063)	-	(588,063)	-
(1,785,387)	-	(1,785,387)	-
(2,612,929)	-	(2,612,929)	-
(5,090,440)	-	(5,090,440)	-
<u>(65,959,946)</u>	<u>-</u>	<u>(65,959,946)</u>	<u>-</u>
-	(499,440)	(499,440)	-
-	(499,440)	(499,440)	-
<u>\$ (65,959,946)</u>	<u>\$ (499,440)</u>	<u>\$ (66,459,386)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	26,583
-	-	-	(69,982)
-	-	-	(6,738)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,137)</u>
42,182,339	\$ -	42,182,339	\$ -
1,139,005	-	1,139,005	-
15,686,740	-	15,686,740	-
3,643,827	-	3,643,827	-
499,830	1,100	500,930	-
794,123	-	794,123	3,993
(3,909,027)	3,909,027	-	-
<u>60,036,837</u>	<u>3,910,127</u>	<u>63,946,964</u>	<u>3,993</u>
(5,923,109)	3,410,687	(2,512,422)	(46,144)
<u>150,078,841</u>	<u>(6,698,144)</u>	<u>143,380,697</u>	<u>2,797,826</u>
<u>\$ 144,155,732</u>	<u>\$ (3,287,457)</u>	<u>\$ 140,868,275</u>	<u>\$ 2,751,682</u>

**PUEBLO COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2012**

	General Fund	Social Services	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 6,892,671	\$ 1,965,688	\$ -	\$ 6,949,995	\$ 15,808,354
Investments	11,092,010	3,339,899	40,646,777	3,908,434	58,987,120
Receivables, Net:					
Taxes	36,022,002	5,349,529	-	6,591,477	47,963,008
Grants	1,388,061	-	138,125	816,513	2,342,699
Notes	3,778,506	-	-	391,559	4,170,065
Interest	28,675	-	-	-	28,675
Other Governments	17,744	1,312,014	-	1,391	1,331,149
Other Agencies	43,642	-	-	1,400,000	1,443,642
Other	782,623	10,072	415	18,212	811,322
Inventories	151,226	-	-	606,205	757,431
Due from Other Funds	95,644	-	-	237,475	333,119
Prepaid Items	67,361	186,252	-	-	253,613
Cash and Cash Equivalents - Restricted	-	-	6,060,880	-	6,060,880
Advances to Other Funds	395,000	-	-	-	395,000
TOTAL ASSETS	<u>60,755,165</u>	<u>12,163,454</u>	<u>46,846,197</u>	<u>20,921,261</u>	<u>140,686,077</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	1,803,200	550,412	4,736,476	1,569,080	8,659,168
Due to Other Governments	-	518,954	-	-	518,954
Due to Other Funds	161,551	79,914	-	91,647	333,112
Advances from Others	30,000	-	-	-	30,000
Other Accrued Liabilities	69,365	11,557	-	3,998	84,920
Advance from Other Funds	-	-	-	395,000	395,000
TOTAL LIABILITIES	<u>2,064,116</u>	<u>1,160,837</u>	<u>4,736,476</u>	<u>2,059,725</u>	<u>10,021,154</u>
DEFERRED INFLOWS OF RESOURCES	34,322,560	9,445,365	-	5,586,363	49,354,288
FUND BALANCES					
Nonspendable	4,392,093	186,252	-	2,270,458	6,848,803
Restricted	2,400,000	-	42,109,721	1,953,376	46,463,097
Committed	-	-	-	140,300	140,300
Assigned	2,326,045	1,371,000	-	8,911,039	12,608,084
Unassigned	15,250,351	-	-	-	15,250,351
TOTAL FUND BALANCES	<u>24,368,489</u>	<u>1,557,252</u>	<u>42,109,721</u>	<u>13,275,173</u>	<u>81,310,635</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 60,755,165</u>	<u>\$ 12,163,454</u>	<u>\$ 46,846,197</u>	<u>\$ 20,921,261</u>	<u>\$ 140,686,077</u>

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2012

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 81,310,635

Total net position reported for governmental activities in the statement of net position is different because:

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	300,893,235	
Accumulated depreciation is	<u>(115,244,408)</u>	185,648,827

Unamortized Bond Insurance Costs		1,437,338
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Deferred outflows of resources, reported as deferred amount on refunding, are not financial resources and thus are not reported as assets in the governmental funds.		448,511
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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 the following obligations.

General Obligation Bonds Payable	(6,903,339)	
Certificates of Participation Payable	(93,552,476)	
Accrued Interest on Bonds Payable	(1,442,332)	
Capital Leases Payable	(1,874,015)	
Compensated Absences	(8,032,988)	
Claims and Judgments	(1,603,973)	
OPEB Obligation	(1,741,735)	
Net Pension Obligation	<u>(9,538,721)</u>	<u>(124,689,579)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 144,155,732

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2012

	<u>General Fund</u>	<u>Social Services</u>	<u>Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes:					
Property Taxes, Net	\$ 32,373,193	\$ 5,605,036	\$ -	\$ 5,343,117	\$ 43,321,346
Specific Ownership Taxes	2,820,745	469,083	-	353,999	3,643,827
Sales and Use Taxes	11,901,906	-	-	3,784,833	15,686,739
Fees and Fines	42,661	-	-	-	42,661
Licenses and Permits	246,950	-	-	3,000	249,950
Intergovernmental	6,984,014	17,054,310	9,257	6,259,508	30,307,089
State Highway Users Tax	-	-	-	4,554,965	4,554,965
Charges for Services	7,175,913	71,277	-	5,581,912	12,829,102
Investment Earnings	217,944	-	-	6,105	224,049
Contributions and Private Grants	-	-	-	388,519	388,519
Other Revenues	1,292,010	-	275,917	44,282	1,612,209
TOTAL REVENUES	<u>63,055,336</u>	<u>23,199,706</u>	<u>285,174</u>	<u>26,320,240</u>	<u>112,860,456</u>
EXPENDITURES					
Current:					
General Government	24,528,688	-	-	3,017,566	27,546,254
Public Safety	25,923,204	-	-	47,351	25,970,555
Highways and Streets	-	-	-	7,191,094	7,191,094
Health and Welfare	1,562,464	23,097,542	-	3,345,200	28,005,206
Culture and Recreation	430,183	-	-	357,710	787,893
Urban Development and Housing	-	-	-	2,928,674	2,928,674
Conservation	670,167	-	-	-	670,167
Economic Development Assistance	2,409,429	-	-	-	2,409,429
Intergovernmental	667,196	-	-	1,721,374	2,388,570
Debt Service:					
Principal Retirement	1,202,050	-	-	825,000	2,027,050
Interest and Fiscal Charges	3,475,406	-	-	314,238	3,789,644
Debt Issuance and Insurance Costs	-	-	1,441,272	-	1,441,272
Capital Outlay	1,521,464	101,472	15,562,990	4,977,233	22,163,159
TOTAL EXPENDITURES	<u>62,390,251</u>	<u>23,199,014</u>	<u>17,004,262</u>	<u>24,725,440</u>	<u>127,318,967</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>665,085</u>	<u>692</u>	<u>(16,719,088)</u>	<u>1,594,800</u>	<u>(14,458,511)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of Certificates of Participation	-	-	55,000,000	-	55,000,000
Original Issue Premium on Issuance of COPs	-	-	4,400,198	-	4,400,198
Transfers In	1,145,146	-	417,740	1,720,622	3,283,508
Transfers Out	(5,563,802)	-	(1,022,480)	(606,252)	(7,192,534)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,418,656)</u>	<u>-</u>	<u>58,795,458</u>	<u>1,114,370</u>	<u>55,491,172</u>
NET CHANGE IN FUND BALANCES	<u>(3,753,571)</u>	<u>692</u>	<u>42,076,370</u>	<u>2,709,170</u>	<u>41,032,661</u>
FUND BALANCES, January 1, as Restated	<u>28,122,060</u>	<u>1,556,560</u>	<u>33,351</u>	<u>10,566,003</u>	<u>40,277,974</u>
FUND BALANCES - December 31	<u>\$ 24,368,489</u>	<u>\$ 1,557,252</u>	<u>\$ 42,109,721</u>	<u>\$ 13,275,173</u>	<u>\$ 81,310,635</u>

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012

Net Change in Fund Balances - Total Governmental Funds \$ 41,032,661

Amounts reported for governmental activities in the statement of activities differ as follows:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

Cost of Assets Capitalized	\$ 22,897,846	
Depreciation Expense	<u>(10,635,196)</u>	<u>12,262,650</u>

In the statement of activities, donations of capital assets are reported as program revenues. However, they don't represent a current financial resource, so they're not reported in the funds. 1,607,384

In the statement of activities, the loss on the disposition of capital assets is reported. The loss is not a use of current resources and thus is not reported in the funds. The loss on disposal is calculated as follows:

Cost of Assets Disposed	(1,759,174)	
Accumulated Depreciation of Assets Disposed	<u>1,408,295</u>	<u>(350,879)</u>

In the statement of activities, certain operating expenses such as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount actually paid. This year, compensated absences paid (\$668,011) exceeded the amounts earned (\$719,262). (51,251)

Some expenses (estimated claims and judgments) reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (577,765)

Change in carrying value of the net OPEB obligation is not reported in governmental funds. (222,112)

Change in carrying value of the net pension obligation is not reported in governmental funds. (2,391,123)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance and insurance costs, premiums, discounts, and similar items when debt is first issued; whereas only insurance costs, premiums and discounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of bonds and other obligations is as follows:

Issuance of Certificates of Participation (COPs)	(55,000,000)	
Debt Insurance Costs on Issuance of COPs	907,072	
Original Issue Premium on Issuance of COPs	(4,400,198)	
Principal Paid on General Obligation Bonds, COPs and Capital Leases	2,027,049	
Interest Expense on General Obligation Bonds, COPs and Capital Leases	(747,151)	
Amortization of Bond Insurance Costs, Discount, Premium and Deferred Amount on Refunding	<u>(19,446)</u>	<u>(57,232,674)</u>

Change in Net Position of Governmental Activities \$ (5,923,109)

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2012

	<u>Enterprise Fund</u> <u>Desert Hawk</u> <u>Golf Course</u>
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 23,695
Accounts Receivable	4,004
TOTAL CURRENT ASSETS	<u>27,699</u>
NONCURRENT ASSETS	
Capital Assets -	
Land	4,402,683
Buildings	362,041
Improvements	1,484,405
Machinery and Equipment	895,856
Accumulated Depreciation	<u>(1,737,578)</u>
TOTAL CAPITAL ASSETS	5,407,407
Other Assets -	
Cash and Cash Equivalents, Restricted for Debt Service	618,131
Land Held for Development	<u>457,000</u>
TOTAL OTHER ASSETS	1,075,131
TOTAL NONCURRENT ASSETS	<u>6,482,538</u>
TOTAL ASSETS	<u>6,510,237</u>
 DEFERRED OUTFLOWS OF RESOURCES	
	<u>493,672</u>
 LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	30,053
Due to Other Funds	7
Accrued Interest Payable	21,733
Certificates of Participation Payable	365,000
Short Term Capital Lease Obligation	28,937
Unearned Revenue	<u>10,410</u>
TOTAL CURRENT LIABILITIES	<u>456,140</u>
 LONG-TERM LIABILITIES	
Certificates of Participation Payable, Net	5,118,408
Long-Term Capital Lease Payable	29,950
Advance on Purchase Option from Other Government	457,000
Advance on Water Payments	1,279,813
Loan Payable to Other Government	<u>2,950,055</u>
TOTAL LONG-TERM LIABILITIES	<u>9,835,226</u>
TOTAL LIABILITIES	<u>10,291,366</u>
 NET POSITION	
Net Investment in Capital Assets	358,781
Unrestricted (Deficit)	<u>(3,646,238)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (3,287,457)</u>

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2012

	Enterprise Funds Desert Hawk Golf Course
OPERATING REVENUE	
Charges for Services	\$ 799,969
TOTAL OPERATING REVENUE	<u>799,969</u>
OPERATING EXPENSES	
Personnel Services	28,584
Contract Fees	315,591
Supplies	192,356
Professional Services	9,450
Insurance	9,076
Repair and Maintenance	10,142
Depreciation	151,088
Utilities and Communications	246,326
Equipment Rent	6,214
TOTAL OPERATING EXPENSES	<u>968,827</u>
OPERATING INCOME (LOSS)	<u>(168,858)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment Earnings	1,100
Interest and Fiscal Charges	(352,979)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(351,879)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	<u>(520,737)</u>
Capital Contributions	22,397
Transfers In	3,909,027
CHANGE IN NET POSITION	3,410,687
NET POSITION (DEFICIT) JANUARY 1, as Restated	<u>(6,698,144)</u>
NET POSITION (DEFICIT) DECEMBER 31	<u><u>\$ (3,287,457)</u></u>

The accompanying notes are an integral part of this statement.

**PUEBLO COUNTY, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2012**

	<u>Enterprise Funds Desert Hawk Golf Course</u>
Cash Flow from Operating Activities	
Receipts from Customers	\$ 799,814
Payments to Suppliers for Goods and Services	(776,583)
Payments to Employees	(28,731)
Net Cash Provided (Used) by Operating Activities	<u>(5,500)</u>
Cash Flows from Non-Capital Financing Activities	
Transfers In	3,959,033
Advances from Other Funds	(3,581,185)
Net Cash Provided by Noncapital Financing Activities	<u>377,848</u>
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Certificates of Participation	(350,000)
Principal Paid on Capital Leases	(59,616)
Interest and Fiscal Charges	(272,969)
Acquisition of Capital Assets	(25,007)
Capital Contributions	22,397
Advances from Other Governments	317,782
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(367,413)</u>
Cash Flows from Investing Activities	
Interest	1,100
Net Cash Provided (Used) by Investing Activities	<u>1,100</u>
Net Increase in Cash and Cash Equivalents	6,035
Cash and Cash Equivalents at Beginning of Year	<u>635,791</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 641,826</u></u>
 Displayed as:	
Cash and Cash Equivalents	\$ 23,695
Cash and Cash Equivalents, Restricted for Debt Service	618,131
	<u><u>\$ 641,826</u></u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ (168,858)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	151,088
Change in Assets and Liabilities -	
Accounts Receivable	2,696
Accounts Payable and Accrued Expenses	12,424
Unearned Revenue	(2,850)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (5,500)</u></u>

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and Cash Equivalents	\$ 515,653	\$ 4,652,771
Receivables, Net	594,849	93,834
Receivables, Interest and Dividends	6,090	-
Investments, at Fair Value:		
Investment Contracts	10,540,017	-
Publicly Traded Partnership	9,593,261	-
Equity Mutual Funds	52,302,004	-
Other Equity Securities	36,926,912	-
	<u>110,478,786</u>	<u>4,746,605</u>
TOTAL ASSETS		
LIABILITIES		
Accounts Payable	138,958	-
Due to Other Entities	-	120,284
Due to Other Governments	-	4,193,411
Due to Developers	-	403,408
Due to Victims and Insurance Companies	-	12,938
Due to Lien Holders and Property Owners	-	16,564
	<u>138,958</u>	<u>\$ 4,746,605</u>
TOTAL LIABILITIES		
NET POSITION		
Held in Trust for Pension Benefits	<u>\$ 110,339,828</u>	

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2012

	<u>Pension Trust Fund</u>
ADDITIONS	
Contributions:	
Employer	\$ 3,614,182
Plan Members	3,614,182
Total Contributions	<u>7,228,364</u>
Investment Earnings:	
Net Appreciation (Depreciation) in Fair Value of Investments	9,961,591
Interest	1,898,007
Total Investment Income	11,859,598
Investment Activity Expense	(292,884)
Net Investment Earnings	<u>11,566,714</u>
 TOTAL ADDITIONS	 <u>18,795,078</u>
DEDUCTIONS	
Benefit Payments:	
Retirement Benefits	7,199,207
Refunds of Contributions	643,121
Total Benefit Payments	<u>7,842,328</u>
 Administrative Expenses:	
Administrative Costs	142,056
Total Administrative Expenses	<u>142,056</u>
 TOTAL DEDUCTIONS	 <u>7,984,384</u>
 CHANGE IN NET POSITION	 10,810,694
 NET POSITION RESTRICTED FOR PLAN BENEFITS AT BEGINNING OF YEAR	 <u>99,529,134</u>
 NET POSITION RESTRICTED FOR PLAN BENEFITS AT END OF YEAR	 <u>\$ 110,339,828</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

PUEBLO COUNTY, COLORADO
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PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting standards and financial reporting principles. A summary of Pueblo County's significant accounting policies applied in the preparation of these financial statements follows.

NOTE A - REPORTING ENTITY

Pueblo County, Colorado (the County) was formed in 1861 and is a political subdivision of Colorado, governed by an elected three-member Board of County Commissioners. There are also seven other elected officials of the County (Assessor, Clerk and Recorder, Coroner, District Attorney, Sheriff, Surveyor and Treasurer). The County provides the following services: public safety (sheriff, jail and coroner), planning and zoning, judicial, health and welfare, culture and recreation, public improvements, and general administrative services.

All financial transactions of the elected officials' offices of the County are included in the General Fund. The Board of County Commissioners has budgetary authority over the elected officials and is accountable for all fiscal matters. Property taxes fund a significant portion of the costs of operating the elected officials' offices. Services provided by the elected officials are for the benefit of Pueblo County residents and are conducted within the boundaries of the County.

As required by generally accepted accounting principles (GAAP), the accompanying financial statements present the County (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 are legally separate from the government. Each blended and discretely presented component unit has a December 31 year end.

Blended Component Units

The financial statements of the following component units have been "blended" with those of the County because (1) their governing bodies are substantially the same as the governing body of the County, and (2) the component unit provides services entirely to the County.

Public Trustee performs certain functions of the County as required by Colorado Revised Statutes. The financial activity of the Public Trustee has been blended into the County's comprehensive annual financial report (CAFR) in the government-wide governmental activities and in the fund financial statements as the Public Trustee Special Revenue Fund. Separately-issued financial statements for the Public Trustee are not available.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE A - REPORTING ENTITY, Continued

The Pueblo County Capital Construction Corporation (PCCCC) was formed in 1989 and exists for the purpose of constructing and financing major County facilities. PCCCC is the financing vehicle used to facilitate the acquisition and improvement of a municipal golf course known as Desert Hawk Golf Course at Pueblo West (the golf course). PCCCC is a non-profit public benefit corporation that leases the golf course to the County under an annually renewable lease-purchase agreement. PCCCC issued certificates of participation, the proceeds of which were used for the acquisition and improvement of the golf course.

The lease payments made by the County to PCCCC are used to retire the certificates of participation. Upon retirement of the certificates of participation, title to the golf course will pass to the County and the County is financially responsible for the activities of the corporation. In conjunction with the operation of the golf course, the County entered into an agreement with the Pueblo West Metropolitan District (the District) that created a management board to promote, operate, develop and maintain the golf course. The board is composed of seven members, three of whom are appointed by the County, three are appointed by the District, and one member is jointly appointed. The agreement requires the board to submit a proposed annual operating budget to the County and the District for their approval. Beginning in the calendar year 2005 and going forward, the District and the County each fund one-half of the annual debt service requirements. The cumulative repayment amounts advanced by the County to the District changed in 2012 to Transfers-In. The repayment of the amounts advanced by the District to the enterprise is based upon the cumulative loan balances as of the end of the prior calendar year. The total annual repayment to both the County and District is limited to \$500,000 per year. The agreement also requires the District to treat the charge for untreated water provided to the golf course through December 2010 as additional non-interest bearing loans if not covered by annual revenues. The agreement also provides that upon the complete retirement of the certificates of participation, as well as any loans and advances made to the enterprise by both the County and the District and any other indebtedness of the enterprise, the title ownership of the golf course shall be transferred to joint and general ownership of the County and the District. The financial activity of the PCCCC has been blended into the County's CAFR in the government-wide business-type activities and in the fund financial statements as the Desert Hawk Golf Course at Pueblo West proprietary fund.

Discretely Presented Component Units

The financial statements of the following component units have been "discretely presented" in the accompanying report because (1) their governing boards are not substantially the same as the governing body of the County, and (2) the component units provide services entirely or almost entirely to the citizenry and not the County.

The Pueblo County Community Development Corporation (PCCDC) was formed in 1988 for the purpose of assisting in the development and economic stabilization of the statutory towns and unincorporated areas within Pueblo County by promoting and assisting the growth and development of business concerns in the

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE A - REPORTING ENTITY, Continued

area. The County, from time to time, is the recipient of community development block grant (CDBG) funds for the purpose of administering a revolving loan fund program for business development. Colorado requires that the revolving loan fund program be operated and controlled by a private, nonprofit corporation. Accordingly, in order to meet State requirements, the County has transferred its responsibility for the revolving loan fund program to the Corporation which is a non-profit public benefit corporation. The activities of the PCCDC are governed by a board composed of seven members, all of whom are appointed by the County. The PCCDC may only be dissolved by action of the Board of County Commissioners and all accounting and administrative functions are performed by the County. The PCCDC is presented as a business-type activity. Separately-issued financial statements of the Pueblo County Community Development Corporation are not available.

Pueblo County Emergency Telephone Service Authority (the Authority) was formed December 9, 2003 by the Board of County Commissioners to account for revenues derived from special telephone surcharges which are used to purchase and maintain enhanced 911 equipment and related activities as allowed by Colorado Revised Statutes. The activities of the Authority are governed by a board composed of seven members, five of whom are appointed by the County, one appointed by the Town of Boone, Colorado and one appointed by the Town of Rye, Colorado. The Authority may be dissolved by mutual agreement of a majority of the parties involved. All accounting and administrative functions of the Authority are performed by the County. The Authority is presented as a business-type activity. Separately-issued financial statements of the Pueblo County Emergency Telephone Service Authority are not available.

Runyon Sports Complex Commission, Inc (the Commission) is a Colorado nonprofit corporation formed in 1993 by the Board of County Commissioners for the purpose of developing and coordinating baseball and other sports and recreation programs utilizing the Runyon Sports Complex. The activities of the Commission are governed by a board composed of nine members all of whom are appointed by the County. The Commission may only be dissolved by action of the Board of County Commissioners. The County provides financial assistance to the operations of the Commission. The Commission is presented as a business-type activity. Separately-issued financial statements of the Runyon Sports Complex Commission, Inc. are not available.

NOTE B - GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Financial information of the County and its discretely-presented component units is presented as follows.

- *Management's Discussion and Analysis* introduces the basic financial statements and provides an analytical overview of the County's financial activities.
- *Basic Financial Statements:* Government-wide financial statements consist of a statement of net position and a statement of activities. For the most part, the effect of interfund activity has been removed from these statements.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE B - GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS, Continued

These statements report all of the non-fiduciary activities of the primary government and its component units. Governmental activities are reported separately from business-type activities. Governmental activities are normally supported by taxes and intergovernmental revenues whereas business-type activities are normally supported by fees and charges from services and are usually intended by management to be financially self-sustaining. The fiduciary funds of the primary government are not included in the government-wide financial statements; however, separate financial statements are presented.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the County and for each function of the County's governmental activities. Direct expenses are those that are clearly identifiable with a specific program or function. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Revenues that are not classified as program revenues, including all taxes and other items are presented as general revenues.

- *Fund Financial Statements* consist of a series of statements focusing on information about the County's major governmental and enterprise funds. Separate 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 are reported in separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE C - MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements, except that agency funds, as they are merely custodial funds, do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. On an accrual basis, property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds while proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales and use taxes, specific ownership taxes, state-shared taxes, grant and entitlement revenues, interest and charges for services are considered revenues susceptible to accrual and have been recognized as revenues of the current fiscal period. Other receipts, fines, licenses, and permits are not susceptible to accrual because they are not generally measurable until received in cash. Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

The County reports the following major governmental funds:

- The ***General Fund*** is the primary operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources of the County except those required to be accounted for in another fund. Major revenue sources include property taxes, sales and use taxes, specific ownership taxes, charges for services, intergovernmental revenues and investment revenue. Primary expenditures are for general administration, public safety, judicial, planning and zoning, property valuation, tax collection and distribution, vehicle licensing, and capital acquisition.
- The ***Social Services Fund*** is a special revenue fund used to administer human services programs under

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE C - MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND STATEMENT PRESENTATION, Continued

state and federal regulations. Programs include, but are not limited to, Medicaid, food stamps, foster care programs, senior service programs, job training services, and temporary assistance to needy families (TANF). Financing sources are from federal and state grants together with dedicated property taxes, sales taxes and specific ownership taxes. Colorado counties are required by state law to maintain a human services fund.

- The *Capital Projects Fund* is used to account and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including, the acquisition or construction of capital facilities but exclude those types of capital-related outflows furnished by proprietary funds. Proceeds from issuing general obligation bonds, certificates of participation, revenues from federal grants, receipts designated for capital projects, and the related expenditures are recorded in this fund.

The County reports the following major proprietary fund:

- The *Desert Hawk Golf Course at Pueblo West Fund* accounts for the operations of a golf course known as Desert Hawk at Pueblo West, Colorado.

Additionally, the County reports the following fund types:

Governmental Funds:

- *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. Such funds are established when required by statute, resolution, or executive decision to finance particular functions or activities. The other special revenue funds are:

- | | |
|-------------------------------------|------------------------------|
| ▪ Road & Bridge | ▪ Housing and Human Services |
| ▪ Employee Retirement | ▪ Detention Commissary |
| ▪ Board of Developmental Disability | ▪ Subdivision Park Site Fee |
| ▪ Pueblo County Housing | ▪ Fire Hydrant Impact Fee |
| ▪ Conservation Trust | ▪ Public Trustee |
| ▪ Department of Aging Services | |

- *Capital projects funds* are used to account and report for financial resources that are restricted, committed or assigned to expenditures for capital outlay (other than those financed by business-type/proprietary funds). The Capital Expenditure Fund is the only other non-major capital projects fund of the County.
- *Debt service funds* are used to account and report financial resources that are restricted, committed or

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE C - MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND STATEMENT PRESENTATION, Continued

assigned to expenditures general long-term debt principal and interest on general obligation debt. The debt service funds are:

- ***Library Debt Service Fund*** accounts for the accumulation of ad valorem property taxes and the payment of principal and interest on Pueblo County general obligation refunding bonds series 2005 issue of \$9,645,000.
- ***Animal Shelter Debt Service Fund*** accounts for the accumulation of ad valorem property taxes and the payment of principal and interest on Pueblo County limited tax general obligation bond series 2006 issue of \$4,060,000. This debt was retired in 2011 and the fund closed in 2012.

Fiduciary Funds:

- ***Pension Trust Fund*** accounts for the activities of the Pueblo County Officers and Employees Pension Plan, which accumulates resources for pension benefit payments of qualified employees.
- ***Agency funds*** account for assets held for other governments or individuals in an agency capacity. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds are accounted for using the accrual basis of accounting. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The County's agency funds account for (1) the collection of property taxes billed and collected by the County on behalf of other taxing entities; (2) deposits collected from land developers pertaining to current land development projects; (3) the collection of monetary restitution damages from defendants and the payment to victims of crimes; (4) the collection of fees, costs and sales proceeds associated with property foreclosures within the County and corresponding payment to lien holders and property owners, and (5) contributions made to the Enterprise Zone administrator paid to various not-for-profit organizations.

The effect of interfund activity generally has been eliminated from the government-wide financial statements. Exceptions to this practice include payments and other charges between the County's proprietary fund and the road and bridge fund and charges for sales of goods and services between various functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Desert Hawk Golf Course at Pueblo West are charges to customers for sales and services. Operating expenses for the enterprise fund include costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE D - NEW ACCOUNTING PRONOUNCEMENTS

During the year ended December 31, 2012, the County implemented new GASB standards as follows.

- **GASB Statement 62, Codification of Accounting and Financial Reporting Guidance Contained in pre-November 30, 1989 GASB and AICPA Pronouncements**. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in FASB and AICPA pronouncements issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements. The implementation of this standard had no material effect on the County's financial reporting as of and for the year ended December 31, 2012.

- **GASB Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position**. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources and the resulting net position. The effect of this standard essentially renamed the government-wide, the proprietary funds and the fiduciary funds statements of net assets to statements of net position. In addition, the proprietary funds and the fiduciary funds statements of revenues, expenses and changes in fund net assets were renamed to the statement of revenues, expenses and change in fund net position.

- **GASB Statement 65, Items Previously Reported as Assets and Liabilities**. The objective of this statement, which is a companion standard to GASB 63, is to specifically identify certain items that were previously reported as assets or liabilities and now report those items as deferred outflows of resources or deferred inflows of resources. The effective date of this statement was for the year ended December 31, 2013, but the County elected to early implement this standard to correspond with the implementation of GASB 63. The effect of the implementation of the statement for the County was as follows.
 - Record a prior period adjustment to eliminate the recognition of deferred issue costs associated with bond and other debt obligations.

 - Reclassify certain items previously reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources.

NOTE E - ASSETS, LIABILITIES, AND NET POSITION/EQUITY

1. Pooled Cash and Investments. The Pueblo County Treasurer maintains an investment pool of most of the cash resources, including cash resources of the following discretely-presented component units: Pueblo County Community Development Corporation and the Pueblo County Emergency Telephone

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE E - ASSETS, LIABILITIES, AND NET POSITION/EQUITY, Continued

Service Authority. State statutes specify investment instruments in which the County may invest and require that public deposits be placed only in eligible public depositories in Colorado. Investments are reported at fair value and all investment revenue, including changes in the fair value of investments, is reported as revenue in the statements of revenues, expenditures and changes in fund balance. Available cash is invested temporarily in certificates of deposits, money market accounts or other highly liquid investments. Each funds' portion of this pool is reported as cash and cash equivalents while accrued interest receivable is displayed separately. The amount of interest earned from secured investments is credited to the General Fund based on Colorado state statutes, except for the department of aging services, subdivision park site fee and fire hydrant impact fee special revenue funds. In addition, because the treasury pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

The U.S. treasury notes and agency securities represent the County's investments that are reported at fair value. Fair value has been estimated based on quoted market price. The remaining investments, reported as cash and cash equivalents, are the Colorado Liquid Asset Trust (Colo Trust) and the Colorado Surplus Asset Fund Trust (C-Safe) investment pools and are reported at amortized cost as allowed under GAAP. Both investment pools are external investment pools that are not registered with the SEC as investment companies, but each pool has a policy that it will, and does, 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 investment pools rests with the Colorado Securities Commission and the fair value of the County's investments in each pool is the same as the value of the respective pool's shares.

2. Cash Equivalents. For purposes of the statement of cash flows, the County considers cash and cash equivalents to be cash on hand, demand deposits, all highly liquid investments, including restricted cash and cash equivalents, with original maturities at the time of purchase of three months or less and equity in the County's cash management pool.

3. Property Taxes. Property taxes were levied on December 20, 2012, based on the assessed value of property as certified by the County Assessor by the previous December 15, and attach as an enforceable lien on January 1 of the following year. Assessed values are a percentage of actual values. A reevaluation of all property must be made every two years. The last reevaluation date was January 1, 2011 for the 2010 base year as specified by State law.

The taxes levied on December 20, 2012 reflect 2012 property taxes that will be collected in 2013. The County collects its own property taxes and the property taxes for other taxing entities within the County. The collection and remittance of taxes for other taxing entities are accounted for in an agency fund. Property taxes receivable is reduced by an allowance for uncollectible taxes. Property taxes are due and considered earned on January 2 following the year levied and may be paid in two installments (February 28 and June 15) or they may be paid in full on or before April 30. Taxes not paid in accordance with this

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE E - ASSETS, LIABILITIES, AND NET POSITION/EQUITY, Continued

schedule accrue interest and penalty charges and are subject to liens if not paid by November.

The County entered into property tax incentive agreements with: Public Service Company of Colorado and its two partners Holy Cross Electric Association and Intermountain Rural Electric in 2011, with GCC Rio Grande, Inc. in 2005 and with Black Hills Energy, Inc. in 2011. These agreements provide for refunds and credits of property taxes. In 2012, the County reduced property tax receivable and deferred inflows of resources (property taxes) by \$4,413,524 as a result of these credits.

4. Interfund Receivables/Payables. During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. In the fund financial statements, these receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Lending or borrowing arrangements outstanding at the end of the fiscal year are reflected as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans).

5. Inventories and Prepaid Items. Inventories in all funds are recorded at the lower of cost (first-in, first-out basis) or market and consist of expendable supplies and commodities. The reported inventory for commodities is reported as deferred inflows of resources and the value of commodities is recognized as both revenue and an expenditure when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

6. Restricted assets. Restricted assets include cash and cash equivalents in the capital projects fund as well as cash and cash equivalents and accrued interest in the proprietary fund that are legally restricted as to their use based upon the respective bond indenture.

7. Capital Assets. Capital assets, which include land, construction in progress, buildings and improvements, machinery and equipment, intangibles, and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of \$5,000 (\$50,000 for buildings and infrastructure) and a useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.

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. No interest was capitalized during the year ended December 31, 2012.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE E - ASSETS, LIABILITIES, AND NET POSITION/EQUITY, Continued

Depreciation of all exhaustible capital assets is charged as an expense against their operations or functions. Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings and Improvements	5-165 years	10-30 years
Machinery and Equipment	5-10 years	3-10 years
Improvements Other Than Buildings	N/A	5-20 years
Infrastructure - Bridges	50 years	N/A
Infrastructure - Roads	20-40 years	N/A
Infrastructure - Drainage Improvements	30 years	N/A
Intangibles - Software Development	5 years	N/A

8. Compensated Absences. It is the County'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, at termination, or retirement. Employees are also allowed to accumulate sick pay benefits up to predetermined maximums; however, payment of these sick pay benefits is limited to lesser maximums depending on the length of service and the date the employee was hired. Vacation benefits and related payroll costs are measured based on established County policy and generally accepted accounting principles.

The entire compensated absence liability is reported in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only if they have matured due to employee retirements or resignations.

9. Accrued Liabilities and Long-Term Obligations. In the government-wide financial statements and the fund financial statements for the proprietary fund, all 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 obligations using the interest method.

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance and insurance costs during the current period. The face amount of the debt issue, along with the related premium, if any, is reported as other financing resources, while discounts, if any, are reported as other financing uses. Debt issue costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE E - ASSETS, LIABILITIES, AND NET POSITION/EQUITY, Continued

10. Fund Equity. Governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for the County's governmental funds are classified and displayed in the following five categories:

- Nonspendable – includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories, prepaid items and long-term notes receivable 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 a resolution of the Board of County Commissioners. Commitments may be modified or changed only by the Board of County Commissioners approving a new resolution.
- Assigned – includes amounts intended to be used by the County for specific purposes that are neither restricted nor committed. As authorized by the Board of County Commissioners, intent is expressed by the Director of Budget and Finance to which the assigned amounts are to be used for specific purposes. Assigned amounts include appropriations of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget.
- Unassigned – includes amounts that do not meet any of the above criteria. The County reports positive unassigned fund balances only in the General Fund and negative unassigned fund balances, if any, 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.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE E - ASSETS, LIABILITIES, AND NET POSITION/EQUITY, Continued

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 do 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 County’s policy to use restricted resources first and then use unrestricted revenues as they are needed.

11. Contraband Forfeitures. In accordance with the Colorado Contraband Forfeiture Act, forfeitures from the seizure of contraband are used for the specific purpose of law enforcement activities. These funds are included in the County’s General Fund.

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

13. 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.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

II - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

NOTE A - BUDGETS AND BUDGETARY ACCOUNTING

The County adheres to the following procedures in establishing the budgetary data reflected in the required supplementary information and supplemental information. These procedures are in compliance with Colorado Revised Statutes.

Budgets are required by law for all funds. Prior to October 15, the budget director submits to the Commissioners a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board of County Commissioners to obtain taxpayer comments. Prior to December 15, the expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution.

NOTE B - LEGAL COMPLIANCE - BUDGETS

1. Expenditures may not legally exceed appropriations at the fund level. Management may at any time transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same fund or agency. The Board of County Commissioners may, by resolution and public notice, transfer any unencumbered appropriation balance or portion thereof from one fund or agency to another fund or agency. The Commissioners may amend the original adopted budget during the year by passing a new resolution to reflect current needs, and during 2012, the expenditure estimates were amended for certain funds and agencies. These amendments were made in accordance with state statutes.
2. All budgets adopted by the Commissioners, including the proprietary fund type, use the current financial resources measurement basis and modified accrual basis of accounting.
3. Budgeted amounts reported in the required supplementary information are as originally adopted and as amended by the Board of County Commissioners. All appropriations lapse at year end.
4. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as a management control device. Encumbrances do not constitute expenditures or liabilities because the commitment is appropriated and honored during the subsequent fiscal year. The County had \$43,959,721 encumbered for major funds and \$140,300 encumbered for non-major funds at year end.

For each adopted annual operating budget, the legal level of budgetary control exists at the total fund level. That is to say, total expenditures for each fund cannot legally exceed total appropriations for that fund. Management cannot amend the adopted budget but must request that the Board of County Commissioners transfer amounts between funds or adopt supplemental appropriations when the need arises.

**PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

II - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, Continued

NOTE C - LEGAL COMPLIANCE - EXCESS OF ACTUAL EXPENDITURES AND OTHER FINANCING USES OVER BUDGETED EXPENDITURES AND OTHER FINANCING USES

The following funds incurred actual expenditures and other financing uses in excess of budgeted expenditures and other financing uses:

	<u>Actual</u>	<u>Budget</u>	<u>Actual Over Budget</u>
Debt Service Fund - Animal Shelter Debt	<u>\$ 1,809</u>	<u>\$ -</u>	<u>\$ 1,809</u>
Component Unit - Runyon Sports Complex Commission, Inc.	<u>\$ 628,639</u>	<u>\$ 598,272</u>	<u>\$ 30,367</u>

**PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

III -DETAILED NOTES FOR ALL FUNDS

NOTE A - CASH AND CASH EQUIVALENTS AND INVESTMENTS

1. Cash and Cash Equivalents and Investments are summarized as follows.

Cash and Cash Equivalents

Held by County Treasurer

Cash and Cash Equivalents On Hand	\$ 277,809
Demand Deposits	5,273,384
Investments Pools	16,529,303
Restricted Assets -	
Investments Pool	6,670,577
Demand Deposits	8,434
	<u>28,759,507</u>

Not Held by County Treasurer

Public Trustee - Investments Pool	322,057
Runyon Sports Complex Commission, Inc. - Demand Deposits	209,073
	<u>\$ 29,290,637</u>

Investments

Held by County Treasurer

U.S. Treasury Notes	\$ 1,999,454
U.S. Agency Securities	15,570,437
Certificates of Deposit	770,452
	<u>18,340,343</u>

Not Held by County Treasurer

Runyon Sports Complex Commission, Inc. - Certificates of Deposit	50,692
U.S. Agency Securities with Fiscal Agent	40,646,777
	<u>\$ 59,037,812</u>

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Statement of Net Position		
Primary Government	\$ 15,832,049	\$ 58,987,120
Primary Government - Restricted Cash and Cash Equivalents	6,679,011	-
Component units	2,126,806	50,692
Statement of Fiduciary Net Assets		
Agency Funds	4,652,771	-
	<u>\$ 29,290,637</u>	<u>\$ 59,037,812</u>

**PUEBLO COUNTY, COLORADO
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2012**

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE A - CASH AND CASH EQUIVALENTS AND INVESTMENTS, Continued

Due to the nature of the County’s cash management pool, it is not possible to segregate deposits and investments between the primary government and the following discretely presented component units: Pueblo County Community Development Corporation and the Pueblo County Emergency Telephone Service Authority. The same is true for FDIC insurance coverage. Accordingly, only reporting entity totals are shown for the deposits and investments, as well as the FDIC coverage as follows.

	Total
Deposits	\$ 5,281,818
Investment Pools	23,199,880
Cash On Hand	277,809
	\$ 28,759,507

Deposits for the Runyon Sports Complex Commission, Inc. are reported as deposits of component units not held by the County Treasurer.

2. Deposits. At December 31, 2012, the carrying amount of the County’s deposits, including certificates of deposit, was \$6,052,270 and the bank balance was \$7,730,737. Of the bank balance, \$1,168,002 was covered by federal depository insurance and \$6,562,735 was collateralized in single financial institution collateral pools maintained by the individual financial institutions that hold these deposits. Colorado law requires that depository institutions must apply for and be designated as an eligible public depository before the institution can accept public monies. The depository institution must pledge eligible collateral as security for all public deposits held by that institution that are not insured by depository insurance. The market value of the collateral that each institution pledges as security must equal at least 102% of the total uninsured deposits held by that institution. Generally, the eligible collateral in the collateral pools is held by the depository institution or its agent in the name of the depository institution.

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a policy for custodial credit risk. As of December 31, 2012, deposits with a bank balance of \$6,562,735 are uninsured but are not exposed to custodial credit risk because they are collateralized with securities held by the pledging financial institutions's agent in the County's name.

Deposits of Component Units Not Held by County Treasurer

Runyon Sports Complex Commission, Inc. - At December 31, 2012 the carrying amount of the Commission’s deposits was \$259,765 and the bank balance was \$260,507 and \$250,000 was covered by Federal National Credit Union Administration Insurance.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE A - CASH AND CASH EQUIVALENTS AND INVESTMENTS, Continued

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

As of December 31, 2012, the following investments and maturities were included in the County’s cash management pool.

<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>Reported as Cash and Cash Equivalents</u>			
Colo Trust	\$ 6,808,217	\$ 6,808,217	\$ -
CSAFE	5,788,809	5,788,809	-
Money Market Funds Held by Lender (Restricted)	618,131	618,131	-
Money Market Funds	10,306,780	10,306,780	-
	<u>\$ 23,521,937</u>	<u>\$ 23,521,937</u>	<u>\$ -</u>
<u>Reported as Investments</u>			
U.S. Treasury Notes	\$ 1,999,454	\$ 1,999,454	\$ -
U.S. Agency Securities	56,217,214	-	56,217,214
Certificates of Deposit	821,144	501,144	320,000
	<u>\$ 59,037,812</u>	<u>\$ 2,500,598</u>	<u>\$ 56,537,214</u>

Interest Rate Risk – The County’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 date of purchase unless the governing body authorizes a longer period.

Credit Risk – The County does not have an investment policy that would further limit its investment choices beyond the requirements of Colorado statutes. As of December 31, 2012, the County’s investment in Colo Trust is rated AAAM by Standard & Poor’s, while the investment in C-Safe is rated AAAM by Standard and Poor’s. The County’s investment in a money market mutual fund at Wells Fargo Securities, LLC is rated AAAM by Standard and Poor’s.

At December 31, 2012, the County’s investment in U.S obligations was rated as follows.

<u>U.S. Obligation</u>	<u>Credit Rating</u>	
	<u>Moody's</u>	<u>Standard and Poor's</u>
U.S. Treasury Notes	Aaa	AA+
U.S. Agency Securities	Aaa	AA+

**PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS - FIDUCIARY FUNDS - PENSION TRUST FUND

The Pueblo County Officers and Employees Pension Plan (the Plan) was established in 1967 under the provisions of Title 24, Article 54 of the Colorado Revised Statutes (C.R.S.). Responsibility for the organization and administration of the Plan as well as the investment of the Plan's funds is placed with the Board of Trustees of the Plan.

At December 31, 2012, cash and cash equivalents and investments of the Plan are reported as follows.

Financial Statement Presentation

	Cash and Cash Equivalents	Investments
Statement of Fiduciary Funds - Pension Trust Fund	\$ 515,653	\$ 109,362,194

1. Pension Trust Fund - Cash and cash equivalents are summarized as follows.

Demand Deposits	\$ 66,631
Money Market Accounts	449,022
	\$ 515,653

2. Deposits. At December 31, 2012, the carrying amount of the Plan's deposits was \$66,631 and the bank balance was \$66,631. Of the bank balance, \$66,631 was covered by federal depository insurance.

3. Investments. As of December 31, 2012, the Plan had the following investments and maturities.

	Fair Value	Investment Maturities Less Than 1 year
<u>Investment Type</u>		
Investment Contract with Principal Life Insurance Company	\$ 10,540,017	\$ 10,540,017
Limited Partnership Interest - Grosvenor Institutional Partners	9,593,261	9,593,261
Registered Investment Companies -		
Pimco Total Return Fund Institutional Shares #35	20,570,524	20,570,524
Vanguard Institutional Index Fund #94	21,780,029	21,780,029
JP Morgan Core Bond Fund #3900	9,951,451	9,951,451
Domestic Equity Securities	20,238,673	20,238,673
International Equity Securities	16,688,239	16,688,239
	\$ 109,362,194	\$ 109,362,194

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS - FIDUCIARY FUNDS - PENSION TRUST FUND, Continued

Interest Rate Risk – The Plan 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 – The Plan’s investment policy does not allow transactions in any of the following. 1) short sales; 2) leverage or margin transactions; 3) investments in private companies; and 4) investments that would generate unrelated business taxable income. The Plan’s investments in equity mutual funds and debt securities mutual funds are not rated.

Foreign Currency Risk – The Plan’s exposure to foreign currency risk results from its position in foreign currency-denominated investments in various foreign equity mutual funds. The Plan’s investment policy permits it to invest up to 20% of total investments in foreign currency-denominated investments.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE C - RECEIVABLES

Receivables as of December 31, 2012 consist of the following.

Primary Government

	Governmental Activities				
	General Fund	Social Services	Capital Projects	Non-Major Governmental Funds	Governmental Activities
Receivables:					
Taxes:					
Property Taxes, Net	\$ 34,455,313	\$ 5,403,569	\$ -	\$ 5,522,706	\$ 45,381,588
Sales and Use Taxes	1,911,242	-	-	671,517	2,582,759
Highways and Streets	-	-	-	452,481	452,481
Grants	1,388,061	-	138,125	816,513	2,342,699
Notes	3,778,506	-	-	391,559	4,170,065
Interest	28,675	-	-	-	28,675
Other Governments	17,744	1,312,014	-	1,391	1,331,149
Other Agencies	43,642	-	-	1,400,000	1,443,642
Other	782,623	10,072	415	18,212	811,322
	42,405,806	6,725,655	138,540	9,274,379	58,544,380
Less: Allowance for Uncollectible Accounts	344,553	54,040	-	55,227	453,820
Net Receivables	\$ 42,061,253	\$ 6,671,615	\$ 138,540	\$ 9,219,152	\$ 58,090,560
 Amounts Not Scheduled for Collection During Subsequent Year	\$ 3,778,506	\$ -	\$ -	\$ 1,791,559	\$ 5,570,065

**Business-Type
Activities**

**Desert Hawk
Golf Course**

Receivables:	
Other	\$ 4,004
Net Receivables	\$ 4,004

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE C - RECEIVABLES, Continued

Other Agencies. The County entered into an economic development cooperation agreement with Pueblo Development Foundation (PDF), a Colorado non-profit corporation. The agreement provides that PDF administer an economic development revolving loan program on behalf of the County. The amount due at December 31, 2012 of \$1,400,000 represents funds that have been advanced to PDF to be used in the operation of the loan program. Either party, upon one years' written notice, may terminate the agreement; however, management considers the possibility of termination to be remote. If the agreement is terminated, uncommitted loan funds and outstanding loans and leases funded under the agreement will be assigned to the County by PDF.

Component Units

	Pueblo County Community Development Corporation	Emergency Telephone Service Authority	Runyon Sports Complex Commission, Inc.	Total
Receivables:				
Notes	\$ 266,281	\$ -	\$ -	\$ 266,281
Other	1,571	62,521	-	64,092
	267,852	62,521	-	330,373
Less: Allowance for Uncollectible Accounts	(17,000)	-	-	(17,000)
Net Total Receivables	\$ 250,852	\$ 62,521	\$ -	\$ 313,373
Amounts Not Scheduled for Collection during Subsequent Year	\$ 144,464	\$ -	\$ -	\$ 144,464

**PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following interfund receivables and payables are included in the fund financial statements at December 31, 2012.

	Interfund Receivables	Interfund Payables
Governmental Funds -		
General Fund	\$ 95,644	\$ 161,551
Social Services Fund	-	79,914
Nonmajor Governmental Funds	237,475	91,647
Total Governmental Funds	\$ 333,119	\$ 333,112
 Enterprise Funds -		
Desert Hawk Golf Course at Pueblo West	-	7
	\$ 333,119	\$ 333,119

The amounts reflected as due from other funds and due to other funds reflect 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 scheduled to be collected in the subsequent year.

The following table summarizes advances to/from other funds at December 31, 2012.

	Advances to Other Funds	Advances from Other Funds
Major Governmental Funds -		
Advance Due the General Fund from:		
Housing and Human Services Fund	\$ 355,000	\$ -
Department of Aging Services Fund	40,000	-
	395,000	-
 Nonmajor Governmental Funds -		
Advance Due to General Fund from		
Department of Aging Services Fund	-	40,000
Advance Due to General Fund from		
Housing and Human Services Fund	-	355,000
	-	395,000
	\$ 395,000	\$ 395,000

**PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS, Continued

The balance of \$355,000 due the General Fund from the Housing and Human Services Fund was the result of advances made to establish working capital when the HHS fund was created. The balance of \$40,000 due the General Fund from the Department of Aging Services Fund was the result of an advance made to establish working capital. All amounts reflected as advances due from other funds are not scheduled to be collected in the subsequent year.

Transfers for the year ended December 31, 2012 were as follows.

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds		
General Fund	\$ 1,145,146	\$ 5,563,802
Capital Projects Fund	417,740	1,022,480
Nonmajor Governmental Funds	1,720,622	606,252
Major Enterprise Fund		
Desert Hawk Golf Course at Pueblo West	3,909,026	-
	<u>\$ 7,192,534</u>	<u>\$ 7,192,534</u>

Transfers among funds are provided for as part of the annual budget process. Transfers are used to move revenues from the fund required to collect the revenue to the fund required or authorized to expend them. Interfund transfers are eliminated in the government-wide financial statements except for transfers between governmental activities and business-type activities.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012, was as follows.

	Balance January 1, 2012	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2012
<u>Governmental Activities:</u>				
Nondepreciable Assets:				
Land	\$ 10,090,124	\$ -	\$ -	\$ 10,090,124
Water Rights	91,600	-	-	91,600
Land-Infrastructure	1,719,364	-	-	1,719,364
Easements and Right-of-Ways	39,317	32,539	-	71,856
Collections	350,000	-	-	350,000
Construction in Progress	10,700,080	19,580,866	(10,718,371)	19,562,575
Total Capital Assets not being Depreciated	<u>22,990,485</u>	<u>19,613,405</u>	<u>(10,718,371)</u>	<u>31,885,519</u>
Depreciable Assets:				
Buildings and Improvements	69,758,851	6,211,977	-	75,970,828
Machinery and Equipment	24,748,365	1,476,723	(1,276,626)	24,948,462
Software Development	4,920,031	915,226	-	5,835,257
Infrastructure	155,729,449	7,006,270	(482,550)	162,253,169
Total Capital Assets being Depreciated	<u>255,156,696</u>	<u>15,610,196</u>	<u>(1,759,176)</u>	<u>269,007,716</u>
Less Accumulated Depreciation for:				
Building and Improvements	(24,311,111)	(2,413,123)	-	(26,724,234)
Machinery and Equipment	(18,447,565)	(1,508,389)	1,263,529	(18,692,425)
Software Development	(3,258,895)	(746,298)	-	(4,005,193)
Infrastructure	(59,999,935)	(5,967,386)	144,765	(65,822,556)
Total Accumulated Depreciation	<u>(106,017,506)</u>	<u>(10,635,196)</u>	<u>1,408,294</u>	<u>(115,244,408)</u>
Capital Assets being Depreciated, Net	<u>149,139,190</u>	<u>4,975,000</u>	<u>(350,882)</u>	<u>153,763,308</u>
Total Governmental Activities				
Capital Assets, Net	<u>\$ 172,129,675</u>	<u>\$ 24,588,405</u>	<u>\$ (11,069,253)</u>	<u>\$ 185,648,827</u>

Construction in progress at December 31, 2012 consists of the following amounts.

Incompleted Improvements on Various Infrastructure Projects	\$ 86,363
Construction of a New Building for Emergency Services Bureau	535,688
Construction of a New Judicial Building for 10th-District Court	18,940,524
	<u>\$ 19,562,575</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE E - CAPITAL ASSETS, Continued

	Balance January 1, 2012	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2012
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Business-Type Activities:</u>				
Nondepreciable Assets:				
Land	\$ 4,402,683	\$ -	\$ -	\$ 4,402,683
Total Capital Assets not being Depreciated	<u>4,402,683</u>	<u>-</u>	<u>-</u>	<u>4,402,683</u>
Depreciable Assets:				
Buildings and Improvements	362,041	-	-	362,041
Improvements other than Buildings	1,474,580	9,825	-	1,484,405
Machinery and Equipment	880,674	15,182	-	895,856
Total Capital Assets being Depreciated	<u>2,717,295</u>	<u>25,007</u>	<u>-</u>	<u>2,742,302</u>
Less Accumulated Depreciation for:				
Building and Improvements	(251,012)	(9,624)	-	(260,636)
Improvements other than Buildings	(747,892)	(75,592)	-	(823,484)
Machinery and Equipment	(587,586)	(65,872)	-	(653,458)
Total Accumulated Depreciation	<u>(1,586,490)</u>	<u>(151,088)</u>	<u>-</u>	<u>(1,737,578)</u>
Capital Assets being Depreciated, Net	<u>1,130,805</u>	<u>(126,081)</u>	<u>-</u>	<u>1,004,724</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 5,533,488</u>	<u>\$ (126,081)</u>	<u>\$ -</u>	<u>\$ 5,407,407</u>

Depreciation expense was charged to functions/programs as follows.

Governmental Activities:	
General Government	\$ 1,586,308
Public Safety	1,626,097
Road and Bridge	6,321,843
Health and Welfare	794,778
Culture and Recreation	263,857
Conservation	13,403
Urban Redevelopment and Housing	28,910
Total Depreciation Expense - Governmental Activities	<u>\$ 10,635,196</u>

Business-Type Activities:	
Desert Hawk Golf Course at Pueblo West	\$ 151,088
Total Depreciation Expense, Business-Type Activities	<u>\$ 151,088</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE E - CAPITAL ASSETS, Continued

Construction Commitments

At December 31, 2012, the County had in process various uncompleted infrastructure construction projects with remaining estimated costs totaling \$21,818,600. The County has also committed \$47,500,000 toward various building and improvement projects that were in process at December 31, 2012. Funding for these projects is to be provided primarily by the proceeds of related grants, future taxes, and issuance of certificates of participation.

Discretely Presented Component Unit – Emergency Telephone Service Authority

A summary of changes in capital assets, net of accumulated depreciation, for the year ended December 31, 2012 follows.

	Balance January 1, 2012	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2012
Depreciable Assets:				
Machinery and Equipment	\$ 222,569	\$ 70,081	\$ -	\$ 292,650
Less Accumulated Depreciation	(127,443)	(38,430)	-	(165,873)
Emergency Telephone Service Authority Capital Assets, Net	<u>\$ 95,126</u>	<u>\$ 31,651</u>	<u>\$ -</u>	<u>\$ 126,777</u>

Discretely Presented Component Unit – Runyon Sports Complex Commission, Inc.

A summary of changes in capital assets, net of accumulated depreciation, for the year ended December 31, 2012 follows.

	Balance January 1, 2012	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2012
Nondepreciable Assets				
Works of Art	\$ 24,467	\$ -	\$ -	\$ 24,467
Total Capital Assets Not Being Depreciated	<u>24,467</u>	<u>-</u>	<u>-</u>	<u>24,467</u>
Depreciable Assets:				
Machinery and Equipment	179,793	28,164	-	207,957
Less Accumulated Depreciation	(31,350)	(17,116)	-	(48,466)
Capital Assets Being Depreciated, Net Runyon Sports Complex Commission, Inc. Capital Assets, Net	<u>\$ 172,910</u>	<u>\$ 11,048</u>	<u>\$ -</u>	<u>\$ 183,958</u>

**PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE F - DEFERRED OUTFLOWS OF RESOURCES/DEFERRED INFLOWS OF RESOURCES

Deferred outflows of resources at December 31, 2012 are summarized as follows.

	Governmental Activities	Business- Type Activities
Deferred Amounts on Refunding	\$ 448,511	\$ 493,672

Deferred inflows of resources at December 31, 2012 are summarized as follows.

	Governmental Activities				
	General Fund	Social Services	Capital Projects	Non-Major Governmental Funds	
Property Taxes	\$ 34,110,760	\$ 5,349,529	\$ -	\$ 5,467,479	\$ 44,927,768
Unavailable Grant Revenue	211,800	4,095,836	-	118,884	4,426,520
	\$ 34,322,560	\$ 9,445,365	\$ -	\$ 5,586,363	\$ 49,354,288

For the most part, unavailable grant revenue represents grant funds received in advance.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2012.

	Balance January 1, 2012	Increases	Decreases	Balance December 31, 2012	Due Within One Year
<u>Governmental Activities</u>					
General Obligation					
Refunding, Series 2005	\$ 7,620,000	\$ -	\$ (825,000)	\$ 6,795,000	\$ 855,000
Unamortized Premium	124,191	-	(15,852)	108,339	-
Total General Obligation	<u>7,744,191</u>	<u>-</u>	<u>(840,852)</u>	<u>6,903,339</u>	<u>855,000</u>
Bonds Payable					
Certificates of Participation, Series 2008	9,220,000	-	(1,155,000)	8,065,000	1,200,000
Certificates of Participation, Series 2009A	23,600,000	-	-	23,600,000	-
Certificates of Participation, Series 2009B	3,000,000	-	-	3,000,000	-
Certificates of Participation, Series 2012	-	55,000,000	-	55,000,000	-
Unamortized Discount	(54,033)	-	7,812	(46,221)	-
Unamortized Discount	(361,366)	-	13,020	(348,346)	-
Unamortized Discount	(11,070)	-	1,140	(9,930)	-
Unamortized Premium	-	4,400,198	(108,225)	4,291,973	-
Total Certificates of Participation	<u>35,393,531</u>	<u>59,400,198</u>	<u>(1,241,253)</u>	<u>93,552,476</u>	<u>1,200,000</u>
Obligation under Capital Leases	1,921,064	-	(47,049)	1,874,015	343,613
Compensated Absences	7,981,737	719,262	(668,011)	8,032,988	480,000
Estimated Claims and Judgments	1,026,208	9,329,873	(8,752,108)	1,603,973	536,575
Net OPEB Obligation	1,519,623	286,101	(63,989)	1,741,735	-
Net Pension Obligation	7,147,598	6,005,305	(3,614,182)	9,538,721	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 62,733,952</u>	<u>\$ 75,740,739</u>	<u>\$ (15,227,444)</u>	<u>\$ 123,247,247</u>	<u>\$ 3,415,188</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

	Balance January 1, 2012	Increases	Decreases	Balance December 31, 2012	Due Within One Year
<u>Business-Type Activities</u>					
Refunding Certificates of Participation, Series 2005	\$ 5,885,000	\$ -	\$ (350,000)	\$ 5,535,000	\$ 365,000
Unamortized Discount	(59,140)	-	7,548	(51,592)	-
Total Certificates of Participation	<u>5,825,860</u>	<u>-</u>	<u>(342,452)</u>	<u>5,483,408</u>	<u>365,000</u>
Obligations under Capital Leases	<u>118,503</u>	<u>-</u>	<u>(59,616)</u>	<u>58,887</u>	<u>28,937</u>
Advances from Other Governments:					
Purchase Option	457,000	-	-	457,000	-
Water Payments	1,279,813	-	-	1,279,813	-
Non-Interest Bearing Loan	<u>2,632,273</u>	<u>317,782</u>	<u>-</u>	<u>2,950,055</u>	<u>-</u>
Total Advances from Other Governments	<u>4,369,086</u>	<u>317,782</u>	<u>-</u>	<u>4,686,868</u>	<u>-</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 10,313,449</u>	<u>\$ 317,782</u>	<u>\$ (402,068)</u>	<u>\$ 10,229,163</u>	<u>\$ 393,937</u>

Payments on the general obligation bonds are made by the library debt service fund with property taxes. Payments on the obligations under capital leases reported in the governmental activities are serviced by the General Fund. The certificates of participation, obligations under capital leases and advances from other government in the business-type activity are serviced by the Desert Hawk Golf Course proprietary fund. The compensated absence liabilities are paid by the fund for which the employee worked while claims and judgments are generally liquidated by the General Fund. Payments on the net pension obligation and the net post-employment benefit obligation are recorded in the applicable governmental funds.

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

General Obligation

\$9,645,000 2005 series general obligation library refunding bonds (Pueblo library district); interest rate ranges from 3.5% to 5.0%; due in annual installments ranging from \$449,163 to \$1,139,088 including interest through November 1, 2019; debt is serviced by the library debt service fund \$ 6,795,000

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

Certificates of Participation

\$11,415,000, series 2008 certificates of participation; interest rate ranges from 3.2% to 5.0%; due in annual installments including interest ranging from \$409,258 to \$1,579,170 through September 2018; debt is serviced by the general fund	8,065,000
\$23,600,000, series 2009A certificates of participation; interest rate ranges from 6.5% to 6.85%; due in annual installments including interest ranging from \$1,133,913 to \$2,529,415 through September 2039; debt is serviced by the general fund	23,600,000
\$3,000,000, series 2009B certificates of participation; interest rate is 6.25%; due in annual installments including interest ranging from \$133,333 to \$942,500 through September 2022; debt is serviced by the general fund	3,000,000
\$55,000,000, series 2012 certificates of participation; interest rate ranges from 2% to 5%; due in annual installments including interest ranging from \$1,276,412 to \$5,617,500 through September 2042; debt is serviced by the general fund	55,000,000
	89,665,000

Obligations under Capital Leases

\$990,944 of obligation under capital lease; interest rate of 4.26%; payable in semi-annual installments of \$111,184 including interest through July 2017; lease payments begin January, 2013; debt is serviced by the general fund	990,944
\$883,071 of obligation under capital lease; interest rate of 4.26%; payable in semi-annual installments of \$99,081 including interest through November 2017; lease payments begin June 2013; debt is serviced by the general fund	883,071
	1,874,015

Other Obligations

Compensated Absences	8,032,988
Estimated Claims and Judgments	1,603,973
Net OPEB Obligation	1,741,735
Net Pension Obligation	9,538,721
	20,917,417
Total Governmental Activities	\$ 119,251,432

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

The debt service requirements for the governmental activities general obligation bonds, certificates of participation, and capital leases as of December 31, 2012 are as follows.

Year Ending <u>December 31,</u>	Governmental Activities					
	General & Limited Tax Obligation Bonds			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 855,000	\$ 281,087	\$ 1,136,087	\$ 1,465,000	\$ 4,710,060	\$ 6,175,060
2014	890,000	246,888	1,136,888	1,520,000	4,653,760	6,173,760
2015	935,000	202,387	1,137,387	1,585,000	4,591,985	6,176,985
2016	970,000	164,988	1,134,988	1,650,000	4,524,785	6,174,785
2017	1,010,000	128,612	1,138,612	1,725,000	4,451,995	6,176,995
2018-2022	2,135,000	137,063	2,272,063	9,995,000	20,874,513	30,869,513
2023-2027	-	-	-	12,550,000	18,063,415	30,613,415
2028-2032	-	-	-	15,555,000	14,409,318	29,964,318
2033-2037	-	-	-	19,275,000	9,842,832	29,117,832
2038-2042	-	-	-	24,345,000	3,871,693	28,216,693
Total	<u>\$ 6,795,000</u>	<u>\$ 1,161,025</u>	<u>\$ 7,956,025</u>	<u>\$ 89,665,000</u>	<u>\$ 89,994,356</u>	<u>\$ 179,659,356</u>

Year Ending, <u>December 31,</u>	Governmental Activities		
	Capital Leases		
	Principal	Interest	Total
2013	\$ 343,613	\$ 76,916	\$ 420,529
2014	358,545	61,984	420,529
2015	374,126	46,403	420,529
2016	390,383	30,145	420,528
2017	407,348	13,181	420,529
Total	<u>\$ 1,874,015</u>	<u>\$ 228,629</u>	<u>\$ 2,102,644</u>

The \$9,645,000 general obligation library refunding bonds (Pueblo Library District) series 2005 with an average interest rate of 4.089% were issued by the County to advance refund \$8,930,000 of outstanding general obligation library (Pueblo Library District Project) series 1999 bonds. In accordance with State law, the refunding bonds represent general obligations of the County payable from ad valorem property taxes to be levied without limitation against all taxable property within the County in an amount sufficient to pay the principal and interest on the bonds.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

The \$11,415,000 series 2008 certificates of participation represent assignment of proportionate interests in rights to receive payments pursuant to an annually renewable health department lease purchase agreement dated November 11, 2008 between the County and Wells Fargo Bank, N.A. The principal and interest on the certificates are payable solely from annually appropriated base rentals paid by the County to Wells Fargo Bank, N.A. The certificates shall never constitute or give rise to a general obligation or other indebtedness of the County within the meaning of any constitutional, statutory or other debt limitation. All the payment obligations of the County are subject to annual appropriation by the Board of County Commissioners.

The \$23,600,000 series 2009A certificates of participation represent assignment of proportionate interests in rights to receive payments pursuant to an annually terminable amended and restated lease purchase agreement dated December 29, 2009 between the County and Wells Fargo Bank, N.A. The principal and interest on the certificates is payable solely from annually appropriated base rentals paid by the County to Wells Fargo Bank, N.A. The certificates shall never constitute or give rise to a general obligation or other indebtedness of the County within the meaning of any constitutional, statutory or other debt limitation. All the payment obligations of the County are subject to annual appropriation by the Board of County Commissioners. The County designated the 2009A certificates as "Build America Bonds" for purposes of the Federal American Recovery and Reinvestment Act of 2009 and will receive federal direct payments from the United States Treasury equal to 35% of the interest payable on the 2009A certificates.

The \$3,000,000 series 2009B certificates of participation represent assignment of proportionate interests in rights to receive payments pursuant to an annually terminable amended and restated lease purchase agreement dated December 29, 2009 between the County and Wells Fargo Bank, N.A. The principal and interest on the certificates is payable solely from annually appropriated base rentals paid by the County to Wells Fargo Bank, N.A. The certificates shall never constitute or give rise to a general obligation or other indebtedness of the County within the meaning of any constitutional, statutory or other debt limitation. All the payment obligations of the County are subject to annual appropriation by the Board of County Commissioners.

The \$55,000,000 series 2012 certificates of participation represent assignment of proportionate interests in rights to receive payments pursuant to an annually terminable amended and restated lease purchase agreement dated March 12, 2012 between the County and Wells Fargo Bank, N.A. The principal and interest on the certificates is payable solely from annually appropriated base rentals paid by the County to Wells Fargo Bank, N.A. The certificates shall never constitute or give rise to a general obligation or other indebtedness of the County within the meaning of any constitutional, statutory or other debt limitation. All the payment obligations of the County are subject to annual appropriation by the Board of County Commissioners.

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new general obligation bonds in escrow to provide for all future debt service payments on the old bonds. Accordingly, the escrow account assets and the liability for the defeased general obligation bonds are not included in the County's financial statements. \$6,735,000 of bonds previously defeased are still outstanding at December 31, 2012.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

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

Certificates of Participation

\$7,985,000 series 2005 refunding certificates of participation issue of Pueblo County Capital Construction Corporation (PCCCC); interest rate ranges from 3.5% to 5.0%; due in annual installments including interest ranging from \$601,788 to \$617,925 through December 2024; debt is serviced by the Desert Hawk Golf Course at Pueblo West enterprise fund \$ 5,535,000

Obligations under Capital Leases

\$141,608 of obligation under capital lease; interest rate of 3.50%; payable in annual installments of \$30,998 including interest through September 2014, debt is serviced by the Desert Hawk Golf Course at Pueblo West enterprise fund 58,887

Other Obligations

The County entered into an agreement with the Pueblo West Metropolitan District (the District) related to the acquisition and operation of Desert Hawk Golf Course at Pueblo West. Under this agreement the District advanced \$1,450,000 for the acquisition of the golf course with \$170,000 of the advance treated as a non-interest bearing loan and the remaining \$1,280,000 treated as an irrevocable option to acquire the title to all or some of the additional properties identified in the agreement. If the District does not exercise its option on any or all of the additional properties, the portion of the advance not exercised shall become a non-interest bearing loan. Beginning in the calendar year 2005 and going forward the District and the County each fund one-half of the annual debt service requirements. These annual advances are to be treated as non-interest bearing loans. Furthermore, the agreement requires the District to provide untreated water to the enterprise at a rate equal to, but no higher than the actual cost incurred by the District. Any amount of water delivered prior to January 1, 2011 that is not covered by annual revenues shall be treated as non-interest bearing loans. Repayment of all loans is solely from excess revenues over cash disbursements of the enterprise fund and is limited to \$500,000 per year. The amounts due the District under this agreement at December 31, 2012 are as follows:

Advance on Purchase Option	457,000
Advance on Water Payments, Non-Interest Bearing	1,279,813
Non-Interest Bearing Loan	<u>2,950,055</u>
	<u>4,686,868</u>
Total Business-Type Activities	<u>\$ 10,280,755</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

The debt service requirements for the business-type activity certificates of participation and capital leases as of December 31, 2012 are as follows.

Year Ending December 31,	Business-Type Activities					
	Certificates of Participation			Capital Leases		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 365,000	\$ 252,525	\$ 617,525	\$ 28,937	\$ 2,061	\$ 30,998
2014	380,000	237,924	617,924	29,950	1,048	30,998
2015	395,000	222,725	617,725	-	-	-
2016	410,000	205,740	615,740	-	-	-
2017	425,000	187,700	612,700	-	-	-
2018-2022	2,425,000	629,750	3,054,750	-	-	-
2023-2024	1,135,000	83,000	1,218,000	-	-	-
Total	<u>\$ 5,535,000</u>	<u>\$ 1,819,364</u>	<u>\$ 7,354,364</u>	<u>\$ 58,887</u>	<u>\$ 3,109</u>	<u>\$ 61,996</u>

The series 2005 refunding certificates of participation of PCCCC represent assignments of proportionate interests in rights to receive payments pursuant to an annually renewable golf course lease purchase agreement dated August 1, 2005 between the County and PCCCC. The principal and interest on the certificates is payable solely from annually appropriated base rentals paid by the County to PCCCC and moneys held by the Trustee in the certificate fund and the reserve fund. The principal and interest on the certificates shall never constitute or give rise to a general obligation or other indebtedness of the County within the meaning of any constitutional, statutory or other debt limitation. All payment obligations of the County are subject to annual appropriation by the Board of County Commissioners.

In prior years, the PCCCC defeased certain certificates of participation by placing the proceeds of new certificates of participation in escrow to provide for all future debt service payments on the old certificates of participation. Accordingly, the escrow account assets and liability for the defeased certificates of participation are not included in the County's financial statements. \$5,180,000 of certificates of participation outstanding previously defeased is still outstanding at December 31, 2012.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

Capital Leases

The County has entered into capital lease agreements for various equipment and machinery under which the equipment will become the property of the County when all terms of the lease agreements have been met. The following schedule presents the future minimum lease payments as of December 31, 2012.

	Governmental Activities	Business-Type Activities
Future Minimum Lease Payments	\$ 2,102,644	\$ 61,996
Less: Amounts Representing Interest	(228,629)	(3,109)
	\$ 1,874,015	\$ 58,887

The assets acquired and related accumulated amortization under capital leases are as follows.

	Governmental Activities	Business-Type Activities
Assets:		
Machinery and Equipment	\$ -	\$ 438,789
Buildings and Improvements	1,874,015	-
Less: Accumulated Amortization	(62,467)	(255,466)
	\$ 1,811,548	\$ 183,323

Amortization of assets acquired under capital leases is included with depreciation expense.

NOTE H - NET POSITION

Restricted net position is one of three components of net position which consists of restricted assets, reduced by liabilities and deferred inflows of resources related to those assets, whose uses are subject to constraints that are either: (1) externally 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, 2012 for governmental activities is as follows.

	Governmental Activities
Restricted for:	
TABOR	\$ 2,400,000
Capital Projects	43,959,721
Debt Service	103,376
Total Restricted Net Position	\$ 46,463,097

**PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE H - NET POSITION, Continued

Restricted for TABOR. This represents approximately 3% of the County's estimated 2012 fiscal year spending as that term is defined in the Colorado Constitution. Under these provisions of the Constitution, this portion of net position can be used for declared emergencies only and the County must accumulate 3% or more of its fiscal year spending in this account.

Restricted for Capital Projects. This represents the amount received for various funding sources to be used in future capital projects as follows.

Southern Delivery System Infrastructure	\$ 1,850,000
2012 Series Certificates of Participation Proceeds (Judicial Complex Project)	42,109,721
	<u>\$ 43,959,721</u>

Restricted for Debt Service. This represents the amount available in the debt service fund for future principal and interest payments on the following obligations.

2005 Series General Obligation Refunding Library Bonds (Pueblo Library District Project)	\$ <u>103,376</u>
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Prior Period Adjustment

Net Position at January 1, 2012 has been restated from amounts previously reported as follows.

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>
Net Position at January 1, 2012 as Previously Reported	\$ 150,931,490	\$ (6,655,748)
Prior period adjustment to implement GASB 65 and eliminate balances of deferred bond issue and other obligations issue costs	(576,684)	(42,396)
Prior period adjustment to adjust grant revenue that was not earned until 2012	<u>(275,965)</u>	<u>-</u>
Net Position at January 1, 2012, as Restated	<u>\$ 150,078,841</u>	<u>\$ (6,698,144)</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE I - FUND BALANCES

At December 31, 2012, fund balances for governmental funds consist of the following.

	Governmental Activities				Total Governmental Funds
	General Fund	Social Services	Capital Projects	Non-Major Governmental Funds	
Nonspendable Fund Balances:					
Inventories	\$ 151,226	\$ -	\$ -	\$ 515,002	\$ 666,228
Prepaid Items	67,361	186,252	-	-	253,613
Advances to Other Funds	395,000	-	-	-	395,000
Notes Receivable	3,778,506	-	-	355,456	4,133,962
Economic Development Loan Program	-	-	-	1,400,000	1,400,000
Total Nonspendable Fund Balances:	<u>4,392,093</u>	<u>186,252</u>	<u>-</u>	<u>2,270,458</u>	<u>6,848,803</u>
Restricted Fund Balances:					
TABOR	2,400,000	-	-	-	2,400,000
Capital Projects	-	-	42,109,721	1,850,000	43,959,721
Debt Service	-	-	-	103,376	103,376
Total Restricted Fund Balances	<u>2,400,000</u>	<u>-</u>	<u>42,109,721</u>	<u>1,953,376</u>	<u>46,463,097</u>
Committed Fund Balances:					
Road and Bridge	-	-	-	140,300	140,300
Total Committed Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,300</u>	<u>140,300</u>
Assigned Fund Balances:					
Social Services	-	1,023,360	-	-	1,023,360
Highways and Streets	-	-	-	6,617,200	6,617,200
Public Safety	396,370	-	-	407,105	803,475
Cultural and Recreation	72,689	-	-	150,849	223,538
Health and Welfare	-	-	-	77,943	77,943
Housing Programs	-	-	-	364,190	364,190
Public Trustee	-	-	-	322,057	322,057
Employee Benefits	389,586	-	-	829,356	1,218,942
Subsequent Years Expenditures	1,467,400	347,640	-	142,339	1,957,379
Total Assigned Fund Balances	<u>2,326,045</u>	<u>1,371,000</u>	<u>-</u>	<u>8,911,039</u>	<u>12,608,084</u>
Unassigned Fund Balance	<u>15,250,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,250,351</u>
Total Fund Balances	<u>\$ 24,368,489</u>	<u>\$ 1,557,252</u>	<u>\$ 42,109,721</u>	<u>\$ 13,275,173</u>	<u>\$ 81,310,635</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE I - FUND BALANCES, Continued

Prior Period Adjustments

	<u>General Fund</u>	<u>Desert Hawk Golf Course Enterprise Fund</u>
Fund Balance/Net Position at January 1, 2012, as Previously Reported	\$ 28,398,025	\$ (6,655,748)
Prior period adjustment to adjust grant revenue not earned until 2012	(275,965)	-
Prior period adjustment to implement GASB 65 and eliminate balances of deferred issue costs	-	(42,396)
Fund Balance/Net Position at January 1, 2012, as Restated	<u>\$ 28,122,060</u>	<u>\$ (6,698,144)</u>

IV -OTHER NOTE DISCLOSURES

NOTE A - RISK MANAGEMENT

County Workers' Compensation Pool

The County is exposed to various risks of loss relative to employees' job-related injuries. The County has elected to manage this risk through self-insurance and participation in the County Workers' Compensation Pool (CWCP), a public entity risk pool operating as a common risk management and insurance program for member counties.

The County is self-insured for job-related injuries up to \$225,000 per occurrence. Coverage for losses in excess of this amount is provided by CWCP. The membership agreement of CWCP provides that the pool be self-sustaining through member premiums and additional assessments, if necessary. In addition, the pool purchases excess insurance through commercial insurance companies for claims in excess of the specified self-insured retention.

Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to property and casualty. The County has elected to manage this risk of loss through self-insurance and participation in the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool operating as a common risk management and insurance program for member counties.

The County is self-insured for property and casualty losses up to \$125,000 per occurrence along with a \$10,000 deductible amount for each wrongful termination claim. CAPP provides coverage for losses in excess of these

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

IV -OTHER NOTE DISCLOSURES, Continued

NOTE A - RISK MANAGEMENT, Continued

amounts through the purchase of commercial insurance for claims in excess of the specified self-insured retention.

At December 31, 2012, the determined estimated liability for self-insured workmen's compensation claims and property and liability claims totaled \$1,127,336, which represents the discounted present value of expected losses using a discount rate assumption of 0.46% and includes claims incurred but not yet reported. The liability was computed based on case loss reserves provided by third-party administrators for losses that have already occurred. Development factors were applied to the loss reserves to provide an estimate of future payments.

Changes in the aggregate self-insured claims liability for workmen's compensation and property and casualty for the years ended December 31, 2012 and 2011 are as follows.

	Year End December 31,	
	2012	2011
Estimated Claims Liability, January 1	\$ 600,020	\$ 444,638
Current Year Claims and Changes in Estimates	1,221,645	678,491
Current Year Payments	(694,329)	(523,109)
Estimated Claims Liability, December 31	\$ 1,127,336	\$ 600,020

All health coverage, except dental coverage, is being provided through a purchased commercial risk-sharing insurance policy or arrangement. The terms of the policy provide that if claims exceed premiums paid, the County is liable for the difference up to a cap maximum. The prior year deficit will carry forward from year to year, but only up to \$1 million maximum or when claims exceed 105% of premiums, in which case, payment for the excess is due to the insurance provider. The County's prior year deficit due to the provider totaled \$0 at December 31, 2012. The current year deficit of \$476,637 is included in the estimated claims liability at December 31, 2012. The health coverage premium rates do not reflect that liability.

Dental coverage is provided through a flexible funded plan accounted for by the County in the General Fund. Under the terms of the contract, the County's liability is limited to \$1,000 per participant per year.

NOTE B - EMPLOYEE BENEFITS

DEFINED BENEFIT PENSION PLAN

Plan Description. The Pueblo County Officers and Employees Pension Plan is a single employer defined benefit pension plan administered by the Pueblo County Retirement Board. The plan provides retirement benefits to plan members and their beneficiaries at the discretion of the Retirement Board subject to applicable State law requirements. The Pueblo County Retirement Board issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the Pueblo County Retirement Board, 215 W 10th Street, Pueblo, Colorado, 81003-2992 or by calling (719) 583-6026.

**PUEBLO COUNTY, COLORADO
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2012**

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

Retirement Benefits. Normal retirement date is the first of the month on or after reaching age 62 (65 if hired on or after January 1, 2011). The annual benefit payable at normal retirement is equal to 2.1% times final average annual compensation times the years of credited service (1.85% if hired on or after January 1, 2011). The annual benefit will not be greater than 80% of the Participant's average annual compensation during the 12 highest paid consecutive months of credited service within the last 120 months. For those participants who were employees on or before December 31, 1996, such annual retirement benefit shall not be less than \$300 multiplied by the participants' credited service.

An active or vested participant who has five or more years of credited service may elect to retire on the first of any month after the attainment of age 55. The benefit will be equal to the accrued benefit reduced by .25% (.417% if hired on or after January 1, 2011) per month for each month by which the early retirement date precedes the normal retirement date. An active participant may also elect to retire with a special early benefit if the sum of their age and years of employment equals at least 75 (80 if hired on or after January 1, 2011) upon termination of employment. The benefit will be equal to the accrued benefit unreduced for early payment but the benefit cannot commence before age 50 (55 if hired on or after January 1, 2011).

Basis of Accounting. The financial statements of the plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The County's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Plan investments are recorded at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Participant Data. The number of plan participants is as follows.

Active	1,043
Receiving Benefits	473
Terminated Vested	76
Total	1,592

Funding Policy and Annual Pension Cost. Generally all employees and elected officials are eligible and required to join the plan. Plan members are required to contribute 8% (8.25% effective January 1, 2013) of their annual covered salary and the County is required to contribute an amount that, along with participant contributions, will be sufficient to provide benefits provided by the plan and pay all administrative expenses of the plan. These contribution requirements are established and may be amended under provisions of State law.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

Such County contributions must at least match participant contributions; the current rate is 8% (8.25% effective January 1, 2013) of annual covered payroll. The County's annual pension cost and net pension obligation of the Pueblo County Officers and Employees Pension Plan for the current year and related information for the plan is as follows.

Annual Required Contribution	\$ 6,094,201
Interest on Net Pension Obligation	571,808
Annual Required Contribution Adjustment	<u>(660,704)</u>
Annual Pension Cost	6,005,305
Contributions Made	<u>(3,614,182)</u>
Increase (Decrease) in Net Pension Obligation	2,391,123
Net Pension Obligation Beginning of Year	<u>7,147,598</u>
Net Pension Obligation End of Year	<u><u>\$ 9,538,721</u></u>

Contribution Rates -

County	8.0% (8.25% 2013)
Plan Members	8.0% (8.25% 2013)

Actuarial Valuation Date	January 1, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Method
Remaining Amortization Period	Level Dollar Closed
Asset Valuation Method	20 Years
Actuarial Assumptions -	5-Year Smoothed
Investment Rate of Return*	Market
Projected Salary Increases*	7.5%
*Includes Inflation at	3.5 - 5.5%
Cost-of-Living Adjustments	3.5%
	None

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

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>
December 31, 2010	\$ 4,430,428	73.2 %	\$ 4,994,832
December 31, 2011	5,490,246	60.8 %	7,147,598
December 31, 2012	6,005,305	60.2 %	9,538,721

Schedule of Funded Status

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) -Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/10	\$ 108,986,419	\$ 154,754,412	\$ 45,767,993	70.4 %	\$ 44,432,065	103.0 %
12/31/11	108,705,463	162,914,206	54,208,743	66.7 %	45,180,165	120.0 %
12/31/12	109,516,234	178,175,456	68,659,222	61.5 %	44,551,127	154.1 %

The Schedule of Funding Progress, presented as required supplementary information immediately following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

OTHER POST-EMPLOYMENT BENEFITS PLAN

Plan Description. The County provides post-employment insurance benefits to certain eligible employees through the Pueblo County Retiree Health Insurance Plan, a single-employer defined benefit plan administered by the County. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements.

All retirees of the County have the option under State law to continue their medical insurance coverage through the County from the time of retirement until the employee reaches the age of 65. Members are required to contribute the full premium amount. In addition to the medical benefits, all retirees are eligible for a life insurance benefit that is in force until their death, regardless of age. This benefit has a face amount of \$2,000.

Funding Policy. The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined annually by the County. For the year ended December 31, 2012, the County contributed \$63,989 to the plan.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on annual required contributions (ARC) of the County, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Statements No's. 43 and 45. 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 shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the County's net OPEB obligation to the plan.

Annual Required Contribution	\$ 309,816
Interest on Net OPEB Obligation	60,785
Adjustment to Annual Required Contribution	<u>(84,500)</u>
Annual OPEB Obligation	286,101
Contributions Made	<u>(63,989)</u>
Increase in Net OPEB Obligation	222,112
Net OPEB Obligation, Beginning of Year	<u>1,519,623</u>
Net OPEB Obligation, End of Year	<u><u>\$ 1,741,735</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years are as follows.

Year Ended December 31,	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 450,259	\$ 121,543	27.0 %	\$ 1,139,739
2011	544,148	164,264	30.2 %	1,519,623
2012	286,101	63,989	22.4 %	1,741,735

Funded Status and Funding Progress. As of January 1, 2012, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$2,720,020, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,720,020. The covered payroll (annual payroll of active employees covered by the plan) was \$42,602,397, and the ratio of the UAAL to the covered payroll was 6.38%.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare 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 schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents 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 plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of 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 calculations.

In the January 1, 2012 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 11.00% in the initial year, 10.50% for the second year, and reduced by decrements to an ultimate rate of 5.00% in 2021. The actuarial value of assets was determined using the fair value of assets. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2012 was 30 years.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

IV -OTHER NOTE DISCLOSURES, Continued

NOTE C - OTHER REPORTING ENTITY DISCLOSURES

STATEMENT OF NET POSITION

Condensed Financial Statements – Discretely Presented Component Units

	Pueblo County Community Development Corporation	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc.	Total
ASSETS				
Cash and Cash Equivalents	\$ 858,715	\$ 1,059,018	\$ 209,073	\$ 2,126,806
Investments	-	-	50,692	50,692
Other Receivables, Net	250,852	62,521	-	313,373
Capital Assets:				
Works of Art	-	-	24,467	24,467
Machinery and Equipment	-	292,650	207,957	500,607
Less Accumulated Depreciation	-	(165,873)	(48,466)	(214,339)
Total Capital Assets, net	-	126,777	183,958	310,735
TOTAL ASSETS	1,109,567	1,248,316	443,723	2,801,606
LIABILITIES				
Accounts Payable and Accrued Expenses	-	4,769	1,513	6,282
Due to Other Governments	-	43,642	-	43,642
TOTAL LIABILITIES	-	48,411	1,513	49,924
NET POSITION				
Net Investment in Capital Assets	-	126,777	183,958	310,735
Unrestricted	1,109,567	1,073,128	258,252	2,440,947
TOTAL NET POSITION	\$ 1,109,567	\$ 1,199,905	\$ 442,210	\$ 2,751,682

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

IV -OTHER NOTE DISCLOSURES, Continued

NOTE C - OTHER REPORTING ENTITY DISCLOSURES, Continued

STATEMENT OF ACTIVITIES

Condensed Financial Statements – Discretely Presented Component Units

	Pueblo County Community Development Corporation	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commisison Inc	Total
EXPENSES:				
Economic Development and Assistance:				
Administration	\$ 3,492	\$ -	\$ -	\$ 3,492
Public Safety:				
Administration	-	498,905	-	498,905
Depreciation	-	38,430	-	38,430
Culture and Recreation:				
Baseball Park Operations:				
Personnel Services	-	-	288,501	288,501
Supplies	-	-	182,395	182,395
Professional Services	-	-	15,656	15,656
Insurance	-	-	18,537	18,537
Depreciation	-	-	17,116	17,116
Capital Outlay	-	-	95,386	95,386
TOTAL EXPENSES	<u>3,492</u>	<u>537,335</u>	<u>617,591</u>	<u>1,158,418</u>
PROGRAM REVENUES:				
Charges for Services	30,075	467,353	499,942	997,370
Operating Grants & Contributions	-	-	110,911	110,911
TOTAL PROGRAM REVENUES	<u>30,075</u>	<u>467,353</u>	<u>610,853</u>	<u>1,108,281</u>
NET (EXPENSE) REVENUE	26,583	(69,982)	(6,738)	(50,137)
GENERAL REVENUES				
Interest Income	1,434	2,023	536	3,993
TOTAL GENERAL REVENUES	<u>1,434</u>	<u>2,023</u>	<u>536</u>	<u>3,993</u>
CHANGE IN NET POSITION	<u>28,017</u>	<u>(67,959)</u>	<u>(6,202)</u>	<u>(46,144)</u>
NET POSITION, Beginning of Year	<u>1,081,550</u>	<u>1,267,864</u>	<u>448,412</u>	<u>2,797,826</u>
NET POSITION, End of Year	<u>\$ 1,109,567</u>	<u>\$ 1,199,905</u>	<u>\$ 442,210</u>	<u>\$ 2,751,682</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

IV -OTHER NOTE DISCLOSURES, Continued

NOTE C - OTHER REPORTING ENTITY DISCLOSURES, Continued

STATEMENT OF CASH FLOWS

Condensed Financial Statements – Discretely Presented Component Units

	Pueblo County Pueblo County Community Development Corporation	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 13,504	\$ 473,069	\$ 486,256	\$ 972,829
Payments to Suppliers	(4,392)	(543,742)	(298,054)	(846,188)
Payments to Employees	-	-	(288,501)	(288,501)
Net Cash Provided (Used) by Operating Activities	<u>9,112</u>	<u>(70,673)</u>	<u>(100,299)</u>	<u>(161,860)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Grants & Contributions	-	-	110,911	110,911
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Advances on New Notes	(50,000)	-	-	(50,000)
Principal Payments on Notes	117,924	-	-	117,924
Purchases of Capital Assets	-	(70,082)	(28,164)	(98,246)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>67,924</u>	<u>(70,082)</u>	<u>(28,164)</u>	<u>(30,322)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	-	-	(164)	(164)
Interest Received	1,434	2,023	536	3,993
Net Cash Provided by Investing Activities	<u>1,434</u>	<u>2,023</u>	<u>372</u>	<u>3,829</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	78,470	(138,732)	(17,180)	(77,442)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>780,245</u>	<u>1,197,750</u>	<u>226,253</u>	<u>2,204,248</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 858,715</u>	<u>\$ 1,059,018</u>	<u>\$ 209,073</u>	<u>\$ 2,126,806</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	26,583	(69,982)	(117,649)	(161,048)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	-	38,430	17,116	55,546
Bad Debt Expense	(15,000)	-	-	(15,000)
Change in Assets and Liabilities -				
Accounts Receivable	(1,571)	5,715	-	4,144
Accounts Payable and Accrued Expenses	(900)	(44,836)	234	(45,502)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 9,112</u>	<u>\$ (70,673)</u>	<u>\$ (100,299)</u>	<u>\$ (161,860)</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

IV -OTHER NOTE DISCLOSURES, Continued

NOTE C - OTHER REPORTING ENTITY DISCLOSURES, Continued

JOINT VENTURES

PUEBLO REGIONAL BUILDING DEPARTMENT

The County is a participant with the City of Pueblo, Colorado (the City) in a joint venture known as the Pueblo Regional Building Department (the 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, four of which are appointed by the County, four are appointed by the City, and one member is jointly appointed. The Department is required to submit monthly reports of revenues and expenditures to the County and City and their annual budget is subject to the approval of the County and City. In addition, the agreement stipulates that if allocated expenses exceed revenues for either the County or City, the Department can assess the County or City for the deficit. Complete financial statements for the Department can be obtained from the Department's administrative office located at 830 N. Main Street, Pueblo, Colorado.

PUEBLO CITY-COUNTY HEALTH DEPARTMENT

The Pueblo City-County Health Department (the 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 of Pueblo. A portion of the Department's revenues are composed of subsidies from the City and County of Pueblo, with the County's portion totaling \$944,228 for 2012. The governing body of the Department is composed of five members, two of which are appointed by the County, two are appointed by the City of Pueblo, and one member is jointly appointed.

The governing body of the Department appoints the administrator and the administrator appoints all other personnel. The joint venture agreement requires that the governing body of the Department submit a proposed annual operating budget to the City and County for their approval. Based upon the proposed budget, the City and County individually determine the amount of their respective annual subsidies for the Department. The joint venture agreement also stipulates that the participants shall endeavor to appropriate funds to the department that are reasonable, fair and equitable to all parties. Complete financial statements for the Pueblo City-County Health Department can be obtained from their administrative office located at 1001 W. 9th Street, Pueblo, Colorado.

HISTORIC ARKANSAS RIVERWALK AUTHORITY

The County is a participant with the City of Pueblo (the City), the Pueblo Urban Renewal Authority (PURA), the Pueblo Conservancy District (the Conservancy 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 five members, two of which are appointed by the City, while each of the other participants appoints one member.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

IV -OTHER NOTE DISCLOSURES, Continued

NOTE C - OTHER REPORTING ENTITY DISCLOSURES, Continued

JOINT VENTURES, Continued

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 less than the amount contained in the annual plan and budget. During 2012, the County appropriated \$200,000 to the Authority. Complete financial statements for the Authority can be obtained from their administrative office located at 126 N. Mechanic, Pueblo, Colorado.

JOINTLY GOVERNED ORGANIZATION

PUEBLO AREA COUNCIL OF GOVERNMENTS (PACOG)

PACOG was formed in 1971 to serve as an inter-local advisory board through which local governmental 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 three are County commissioners. The County's accountability is limited to making these appointments. During 2012, the County appropriated \$33,454 to PACOG.

NOTE D - COMMITMENTS AND CONTINGENCIES

1. Pollution Remediation Obligations. In May 2008, the County acquired real estate for the future expansion of certain government facilities. At the time of acquisition, the former owner was in the process of asbestos clean-up. The terms of the purchase required the former owner to complete the asbestos clean-up and a portion of the sale proceeds were placed in an escrow account for clean-up costs. However, the former owner did not complete the clean-up and the escrow balance was not sufficient to complete the clean-up. During the year-ended December 31, 2008, the County continued the clean-up and incurred costs totaling \$7,405,547, of which \$460,535 was capitalized and included in construction in progress in the statement of net position in accordance with generally accepted accounting principles. At December 31, 2008, the County anticipated additional outlays totaling \$526,500 would be required to complete the clean-up that met the requirements of Colorado Department of Public Health and Environment. During the year ended December 31, 2009, the County continued the clean-up and incurred costs totaling \$222,456 which were not capitalized. At December 31, 2009, the County adjusted the anticipated additional outlays to complete the clean-up to \$235,200. During the year ended December 31, 2010, the County continued the clean-up and incurred costs totaling \$479,533. These costs were offset by a reduction in the amounts due the contractor providing the asbestos mitigation services of \$744,163 which was determined not to be due as a result of the final arbitration settlement. During the year ended December 31, 2011, the County completed the cleanup and incurred costs totaling \$24,917 which were not capitalized. No additional costs were incurred during the year ended December 31, 2012.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

IV -OTHER NOTE DISCLOSURES, Continued

NOTE D - COMMITMENTS AND CONTINGENCIES, Continued

In addition, the County's arbitration case with the contractor providing the asbestos mitigation services was settled during the year ended December 31, 2010 resulting in a judgment in favor of the County in the amount of \$5,400,000. No recoveries had been realized up to October 2012 when the County accepted \$500,000 from a subcontractor to be dropped from the lawsuit. Through the proceedings, the County learned the contractor had few assets; and in December, 2012, both sides agreed on a settlement of \$153,226. As part of the settlement, the contractor paid the County \$75,000 and was to pay off the balance with 12 monthly payments of \$6,519, starting in April. As of this report date, no monthly installments from the contractor have been received.

2. Grants and Other. The County 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 County. In the opinion of management, however, any such disallowed claims will not have a material effect on the financial statements of the County as of and for the year ended December 31, 2012.

The County is responsible for administering certain federal and state social services programs for which the related revenue and expenditures are not included in the accompanying financial statements since the State of Colorado makes the grant disbursements. The following schedule lists Pueblo County electronic benefit transfer authorizations, warrant expenditures, and total expenditures associated with the social services special revenue fund for the year ended December 31, 2012:

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

IV -OTHER NOTE DISCLOSURES, Continued

NOTE D - COMMITMENTS AND CONTINGENCIES, Continued

Program	A	B	C	D	E	F
	County EBT/EFT Authorizations	Refunds	County Share of Authorizations	Expenditures by County Warrant	County EBT/EFT Authorizations Plus Expenditures by County Warrant (Col.A+Col.B+Col.D)	Total Expenditures (Col.C+Col.D)
Old Age Pension	\$ 2,321,235	\$ (24,129)	\$ 8,438	\$ 64,338	\$ 2,361,444	\$ 72,776
Low-Income Energy Assistance Program	3,370,870	(2,891)	-	268,946	3,636,925	268,946
Temporary Assistance for Needy Families	8,617,014	-	1,359,886	-	8,617,014	1,359,886
CO Works Administration	-	-	-	1,402,196	1,402,196	1,402,196
Regular Administrations *	-	-	-	5,774,368	5,774,368	5,774,368
Special Child Welfare	-	-	-	1,318,833	1,318,833	1,318,833
Child Welfare	5,895,024	(330,937)	1,170,319	5,879,147	11,443,234	7,049,466
Core Services	413,856	(190)	29,255	914,581	1,328,247	943,836
Aid to the Needy Disabled	2,534,090	(503,136)	375,562	-	2,030,954	375,562
Child Care	2,816,087	(4,077)	325,073	272,509	3,084,519	597,582
Medical Transportation	-	-	-	57,876	57,876	57,876
Aid to the Blind	-	(420)	(84)	-	(420)	(84)
Single Entry Point	-	-	-	1,664,786	1,664,786	1,664,786
Child Support Enforcement	-	-	-	1,939,511	1,939,511	1,939,511
Special IV-E Funds	-	-	-	69,133	69,133	69,133
General Assistance	-	-	-	1,534	1,534	1,534
Collaborative Mgt HB1451	-	-	-	98,942	98,942	98,942
County Only/EPSTDT Grant	-	-	-	203,865	203,865	203,865
Subtotal	25,968,176	(865,780)	3,268,449	19,930,565	45,032,961	23,199,014
Food Assistance	57,379,219	(926,844)	-	-	56,452,375	-
Total	\$ 83,347,395	\$(1,792,624)	\$ 3,268,449	\$19,930,565	\$ 101,485,336	\$ 23,199,014

* Regular Administration includes: County Administration Block Grant, Non-Allocated EBT Billings, Food Assistance Fraud, Employment First, Chafee Foster Care Program and Data Processing.

A. Welfare payments authorized by the County Department of Social Services. These authorizations are paid by the state Department of Human Services via Quest debit cards or by electronic funds transfer (EFT).

B. Refunds of welfare payments, authorized in error, recovered from recipients by the County Department of Social Services.

C. County Share of EBT Authorizations. These amounts are settled monthly by reduction of state cash advances to the County.

D. Expenditures made by County warrants or other County payment methods.

E. This represents the total cost of the welfare programs that are administered by Pueblo County.

F. This total matches total expenditures for Social Services Special Revenue Fund column on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

IV -OTHER NOTE DISCLOSURES, Continued

NOTE D - COMMITMENTS AND CONTINGENCIES, Continued

3. Legal Debt Margin. Based on Colorado state statutes, the County's indebtedness for general obligation bonds shall not exceed three percent of actual value as determined by the last final assessment of the taxable property within the County. General obligation debt outstanding at December 31, 2012, totaled \$6,795,000. Pursuant to Colorado state statutes (C.R.S 24-90-112.5), the general obligation library bonds (Pueblo Library District Project) series 2005 are not subject to such limitation. Therefore, at December 31, 2012, the County's debt limit was \$335,733,553 and the debt margin was \$335,733,553.

4. Arbitrage Liability. The County has had its various debt instruments audited for arbitrage liability by a certified independent firm and the County has no resulting arbitrage liability.

5. Conduit Debt Obligations.

Industrial Revenue Bonds. From time to time, the County issues industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received from private sector entities. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity. Neither the County, state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2012, there were several series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$27,686,733.

6. Operating Leases. The County has entered into various non-cancellable operating leases for property and equipment; however, all of these leases are subject to annual appropriation by the Board of County Commissioners. Expenditures incurred in 2012 for operating leases were \$261,631 in the governmental funds and \$6,214 in the proprietary fund.

Presented below is a schedule by years of future minimum rental payments for governmental activities required under these leases.

<u>Year Ended December 31,</u>	<u>Lease Payments</u>
2013	\$ 333,267
2014	287,258
2015	125,622
2016	27,000
	<u>\$ 773,147</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

IV -OTHER NOTE DISCLOSURES, Continued

NOTE D - COMMITMENTS AND CONTINGENCIES, Continued

7. Other Items. Colorado voters approved an amendment to the state constitution which contains several limitations, including revenue raising, spending abilities, and other specific requirements affecting state and local governments. The amendment, which is commonly known as the TABOR amendment, is complex and subject to judicial interpretation; however, the County believes it is in compliance with the requirements of the amendment. The County has made certain interpretations of the amendment's language in order to determine its compliance. On November 9, 2006, the voters of Pueblo County approved a TABOR Ballot Question (1A) which allows the County to expend funds in excess of its TABOR spending limits for a period of five years. The ballot question approved the expenditure of funds for a new City-County Health Department facility together with various recreation and road projects. This five-year period ended in November 2011. The County fulfilled its 1A promises to taxpayers in 2012 by completing funding of the various capital projects promised in 2006.

The County is a defendant in numerous lawsuits and claims arising in the normal course of operations. The County is vigorously defending all such claims and it is anticipated that the outcome of such claims and litigation will not have a material adverse effect on the financial position of the County.

8. Other Commitments. The County has pledged to contribute to the Young Men's Christian Association (YMCA) a total of \$2,000,000 payable in equal installments of \$200,000 per year for 10 years beginning in 2008 subject to available funds annually. The purpose of this pledge is to cooperatively promote, advance and provide recreational facilities, activities and opportunities for the citizens of Pueblo County. This contribution was made to the YMCA as part of their capital campaign and the yearly payment is subject to annual appropriation by the Board of County Commissioners. As of December 31, 2012, the remaining commitment was \$1,000,000.

9. Subsequent Events. Subsequent to December 31, 2012, the County awarded various contracts for infrastructure improvements, building construction and improvements, equipment purchases, professional services, public safety, economic development and community service commitments totaling \$18,537,755.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A**

PUEBLO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		Actual	Variance
	Original	Final	Budget Basis	with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Property Taxes, Net	\$ 32,195,450	\$ 32,195,450	\$ 32,453,682	\$ 258,232
Specific Ownership Taxes	3,000,000	3,000,000	2,820,745	(179,255)
Sales and Use Taxes	11,590,998	11,590,998	11,901,906	310,908
Fees and Fines	25,000	25,000	42,661	17,661
Licenses and Permits	169,900	169,900	246,950	77,050
Intergovernmental	14,343,576	7,843,576	6,984,014	(859,562)
Charges for Services	6,320,383	6,630,383	7,175,913	545,530
Investment Earnings	230,009	230,009	137,769	(92,240)
Miscellaneous	1,120,060	1,695,060	1,292,010	(403,050)
TOTAL REVENUES	<u>68,995,376</u>	<u>63,380,376</u>	<u>63,055,650</u>	<u>(324,726)</u>

EXPENDITURES

Current:

General Government:

County Commissioners	684,852	684,852	688,890	(4,038)
Other Administration	4,333,665	4,908,665	4,682,000	226,665
County Attorney	894,147	894,147	1,109,618	(215,471)
County Surveyor	26,820	26,820	6,051	20,769
County Clerk/Recorder	1,706,847	1,706,847	1,572,472	134,375
Election	1,053,742	1,053,742	963,613	90,129
Treasurer	834,745	834,745	769,361	65,384
Assessor	1,611,048	1,611,048	1,460,134	150,914
District Attorney	3,924,338	3,924,338	3,878,776	45,562
Office of Budget	709,188	709,188	654,799	54,389
Purchasing	189,960	189,960	184,532	5,428
Human Resources	397,960	397,960	388,467	9,493
Planning/Development	589,745	589,745	562,870	26,875
Information Technology	2,422,436	2,422,436	2,213,055	209,381
Fleet/Equipment Management	1,317,855	1,317,855	1,235,279	82,576
Facilities	2,414,506	2,414,506	2,434,449	(19,943)
Utilities Department	1,449,100	1,449,100	1,581,258	(132,158)
IS Shared Services	153,167	153,167	184,156	(30,989)
Graphical Information Systems	465,725	465,725	418,141	47,584
Total General Government	<u>25,179,846</u>	<u>25,754,846</u>	<u>24,987,921</u>	<u>766,925</u>

Cont'd.

PUEBLO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Safety:				
Law Enforcement	\$ 7,996,799	\$ 7,996,799	\$ 7,881,964	\$ 114,835
Detention	12,285,427	12,595,427	12,612,524	(17,097)
Dispatch Center	665,064	665,064	680,025	(14,961)
County Coroner	515,759	515,759	601,016	(85,257)
Correctional Services	3,147,123	3,147,123	2,599,782	547,341
DEM/PS&O	1,241,861	1,241,861	834,822	407,039
DEM/CSEPP	8,412,001	1,912,001	1,729,444	182,557
Total Public Safety	<u>34,264,034</u>	<u>28,074,034</u>	<u>26,939,577</u>	<u>1,134,457</u>
Health and Welfare:				
Community Health Assistance	1,413,073	1,413,073	1,448,073	(35,000)
Veterans Administration	118,396	118,396	115,233	3,163
Total Health and Welfare	<u>1,531,469</u>	<u>1,531,469</u>	<u>1,563,306</u>	<u>(31,837)</u>
Culture and Recreation:				
Recreation	196,514	196,514	178,264	18,250
Public Works and Parks	261,856	261,856	252,790	9,066
Total Culture and Recreation:	<u>458,370</u>	<u>458,370</u>	<u>431,054</u>	<u>27,316</u>
Conservation:				
CSU Extension	730,069	730,069	714,312	15,757
Total Conservation	<u>730,069</u>	<u>730,069</u>	<u>714,312</u>	<u>15,757</u>
Economic Development Assistance:				
Economic Development	2,173,851	2,173,851	2,146,423	27,428
Total Economic Development	<u>2,173,851</u>	<u>2,173,851</u>	<u>2,146,423</u>	<u>27,428</u>
Intergovernmental				
Aid to Other Entities	671,454	671,454	667,196	4,258
Total Intergovernmental	<u>671,454</u>	<u>671,454</u>	<u>667,196</u>	<u>4,258</u>
Debt Service:				
Principal	1,483,030	1,483,030	1,202,050	280,980
Interest and Fiscal Charges	5,575,575	5,575,575	3,475,406	2,100,169
Total Debt Service	<u>7,058,605</u>	<u>7,058,605</u>	<u>4,677,456</u>	<u>2,381,149</u>
TOTAL EXPENDITURES	<u>72,067,698</u>	<u>66,452,698</u>	<u>62,127,245</u>	<u>4,325,453</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (3,072,322)</u>	<u>\$ (3,072,322)</u>	<u>\$ 928,405</u>	<u>\$ 4,000,727</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	180,000	180,000	1,145,026	965,026
Transfers Out	(1,042,809)	(4,230,809)	(2,491,147)	1,739,662
TOTAL OTHER FINANCING SOURCES (USES)	<u>(862,809)</u>	<u>(4,050,809)</u>	<u>(1,346,121)</u>	<u>2,704,688</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,935,131)</u>	<u>\$ (7,123,131)</u>	<u>\$ (417,716)</u>	<u>\$ 6,705,415</u>
FUND BALANCE - January 1, as Restated	<u>27,656,076</u>	<u>27,656,076</u>	<u>20,894,066</u>	<u>(6,762,010)</u>
FUND BALANCE - December 31	<u>\$ 23,720,945</u>	<u>\$ 20,532,945</u>	<u>\$ 20,476,350</u>	<u>\$ (56,595)</u>

PUEBLO COUNTY, COLORADO
RECONCILIATION OF THE BUDGETARY BASIS OF ACCOUNTING
TO GAAP BASIS OF ACCOUNTING
GENERAL FUND
YEAR ENDED DECEMBER 31, 2012

Budgetary Basis

Explanation of Differences Between Budgetary Revenues and Expenditures and Other Financing Sources (Uses) and GAAP Revenues and Expenditures and Other Financing Sources (Uses)

REVENUES

Actual Amounts (Budgetary Basis) Total Revenues from the Budgetary Comparison Schedule	\$ 63,055,650
Differences - Budget to GAAP	
Unrealized gain (loss) on investments are included in determining investment earnings for GAAP reporting purposes but are not budgetary resources (uses).	80,175
Repayment of notes receivable are not included in revenues for GAAP reporting purposes but are budgetary resources.	<u>(80,489)</u>
GAAP Basis Revenues	<u>\$ 63,055,336</u>

EXPENDITURES

Actual Amounts (Budgetary Basis) Total Expenditures from the Budgetary Comparison Schedule	\$ 62,127,245
Differences - Budget to GAAP	
Economic development funding advances forgiven when employment requirements are satisfied, are expenditures for GAAP reporting purposes but are not expenditures of budgetary resources.	<u>263,006</u>
GAAP Basis Expenditures	<u>\$ 62,390,251</u>

OTHER FINANCING SOURCES (USES)

Actual Amounts (Budgetary Basis) Other Financing Sources (Uses) from the Budgetary Comparison Schedule	\$ (1,346,121)
Differences - Budget to GAAP	
Advances to other funds are uses of budgetary resources but are not transfers for GAAP reporting purposes.	<u>(3,072,535)</u>
GAAP Basis Other Financing Sources (Uses)	<u>\$ (4,418,656)</u>

FUND BALANCE, December 31

Actual (non-GAAP Basis) Amount	\$ 20,476,350
Differences - Budget to GAAP	
Notes Receivable	3,778,506
Unrealized Gain (Loss) on Investments	<u>113,633</u>
GAAP Basis Fund Balance, December 31	<u>\$ 24,368,489</u>

**PUEBLO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
SOCIAL SERVICES SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes, Net	\$ 5,569,113	\$ 5,569,113	\$ 5,605,036	\$ 35,923
Specific Ownership Taxes	361,960	361,960	469,083	107,123
Intergovernmental	18,024,852	18,024,852	17,054,310	(970,542)
Miscellaneous	78,375	78,375	71,277	(7,098)
TOTAL REVENUES	<u>24,034,300</u>	<u>24,034,300</u>	<u>23,199,706</u>	<u>(834,594)</u>
EXPENDITURES				
Administration	6,047,827	6,047,827	5,772,132	275,695
Single Entry Point	1,731,606	1,731,606	1,664,786	66,820
Special Child Welfare	1,225,169	1,225,169	1,318,833	(93,664)
General Assistance	1,000	1,000	1,554	(554)
Aid to the Blind	400	400	(84)	484
Temporary Assistance to Needy Families	1,530,513	1,530,513	1,359,886	170,627
Aid to Needy Disabled	325,000	325,000	375,562	(50,562)
Administration IV-D	2,020,551	2,020,551	1,939,511	81,040
Child Care	602,037	602,037	597,582	4,455
Old Age Pension	97,616	97,616	72,776	24,840
LEAP Program	287,727	287,727	271,183	16,544
Core Services	1,044,614	1,044,614	943,836	100,778
Child Welfare	6,899,062	6,899,062	7,057,972	(158,910)
Temporary Assistance to Needy Families Administration	1,530,329	1,530,329	1,402,196	128,133
Title IV-E Child Welfare	515,000	515,000	69,133	445,867
Medicaid Transportation	54,000	54,000	57,876	(3,876)
EPSDT Contract	317,797	317,797	294,280	23,517
TOTAL EXPENDITURES	<u>24,230,248</u>	<u>24,230,248</u>	<u>23,199,014</u>	<u>1,031,234</u>
NET CHANGE IN FUND BALANCE	(195,948)	(195,948)	692	196,640
FUND BALANCE - January 1	<u>2,176,642</u>	<u>2,176,642</u>	<u>1,556,560</u>	<u>(620,082)</u>
FUND BALANCE - December 31	<u>\$ 1,980,694</u>	<u>\$ 1,980,694</u>	<u>\$ 1,557,252</u>	<u>\$ (423,442)</u>

PUEBLO COUNTY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2012

BUDGETARY INFORMATION

The County adheres to the following procedures in establishing the budgetary data reflected in the budgetary comparison schedules. These procedures are in compliance with Colorado Revised Statutes.

1. Budgets are required by law for all funds. Prior to October 15, the Budget Director submits to the Commissioners a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board of County Commissioners to obtain taxpayer comments. Prior to December 15, the expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution.
2. For each adopted annual operating budget, the legal level of budgetary control exists at the total fund level. That is to say, total expenditures for each fund cannot legally exceed total appropriations for that fund. Management may at any time transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same fund, department, office or agency. Management cannot amend the adopted budget, but must request that the County Commissioners transfer amounts between funds or adopt supplemental appropriations when the need arises.
3. All budget amounts presented in the Required Supplementary Information reflect the original budget and the final budget.

**PUEBLO COUNTY, COLORADO
SCHEDULE OF FUNDING PROGRESS
DEFINED BENEFIT PENSION PLAN
YEAR ENDED DECEMBER 31, 2012**

Actuarial Valuation <u>Date</u>	Actuarial Value of <u>Plan Assets</u>	Actuarial Accrued <u>Liability</u>	Unfunded Actuarial Accrued <u>Liability</u>	Funded <u>Ratio</u>	Covered <u>Payroll</u>	Unfunded Liability as a Percentage of <u>Payroll</u>
December 31, 2010	\$108,986,419	\$154,754,412	\$ 45,767,993	70.4 %	\$ 44,432,064	103.0 %
December 31, 2011	108,705,463	162,914,206	54,208,743	66.7 %	45,180,565	120.0 %
December 31, 2012	109,516,234	178,175,456	68,659,222	61.5 %	44,551,127	154.1 %

**PUEBLO COUNTY, COLORADO
SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS PLAN
YEAR ENDED DECEMBER 31, 2012**

Actuarial Valuation Date	Actuarial Value of <u>Plan Assets</u>	Actuarial Accrued <u>Liability</u>	Unfunded Actuarial Accrued <u>Liability</u>	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of <u>Payroll</u>
January 1, 2010	\$ -	\$ 3,868,782	\$ 3,868,782	0.00 %	\$ 42,419,459	9.12 %
January 1, 2011	-	5,070,544	5,070,544	0.00 %	43,819,301	11.57 %
January 1, 2012	-	2,720,020	2,720,020	0.00 %	42,602,397	6.38 %

SUPPLEMENTAL INFORMATION

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PUEBLO COUNTY, COLORADO
EXPLANATION OF FUNDS
DECEMBER 31, 2012

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds account for taxes or other specific revenue sources that are restricted or committed for specified purposes other than debt service or capital projects.

The **Road & Bridge Fund** is used to administer projects related to County road and bridge construction and maintenance and traffic engineering. Financing sources are from dedicated property taxes, federal and state grants and state highway users tax. By state law, Colorado counties are required to maintain a road and bridge fund and a portion of road and bridge taxes is allocated to cities and towns for use in their road and street activities.

The **Employee Retirement Fund** accounts for the mill levy dedicated to pay the County's share to the employee retirement system.

The **Board of Developmental Disability Fund** accounts for the mill levy dedicated for payment to a non-profit corporation for various programs related to helping the developmentally challenged.

The **Pueblo County Housing Fund** accounts for federal and state grants used for individual revolving loans and grants for home rehabilitation.

The **Conservation Trust Fund** accounts for the collection of revenues from the Colorado State Lottery to be expended on parks and recreation facilities for repairs and capital improvements.

The **Department of Aging Services Fund** accounts for the management of federal aging grant funds received. Services are provided by the County as well as other entities providing services and nutrition to the aged.

The **Housing and Human Services Fund** accounts for the administration of federal, state and private grants. The various grants provide funding for a ten-county service area weatherization program, a housing rehabilitation and down payment assistance program, and a USDA commodities food distribution and emergency food assistance program, all to low-and-moderate income households.

The **Detention Commissary Fund** accounts for the commission earned from sales of products to jail inmates. Expenditures are for detention recreation equipment and detention security equipment.

The **Subdivision Park Site Fee Fund** accounts for revenue related to future land development.

The **Fire Hydrant Impact Fee Fund** accounts for revenue related to the installation of fire hydrants in areas identified for future land development.

The **Public Trustee** accounts for the general administration of the public trustee's office related to the duties of property foreclosures according to state mandated guidelines and is used in executing the provisions of deeds of trusts, defaults on such deeds of trust, and foreclosure sales.

**PUEBLO COUNTY, COLORADO
EXPLANATION OF FUNDS
DECEMBER 31, 2012**

NON-MAJOR GOVERNMENTAL FUNDS, continued

Capital Projects Funds

The **Capital Expenditure Fund** is used to account for general capital expenditure and was established on April 5, 1984 by the Colorado General Assembly to replace the Public Works Fund.

Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest on the County's obligations.

The **Library Debt Service Fund** accounts for the accumulation of ad valorem property taxes and the payment of principal and interest on the Pueblo County General Obligation Library Refunding Bonds Series 2005 issue of \$9,645,000. The bonds were issued by the County for the benefit of the Library District in accordance with state law to finance the renovation and expansion of the Robert Hoag Rawlings Public Library, formerly known as the McClelland Library.

The **Animal Shelter Debt Service Fund** accounts for the accumulation of ad valorem property taxes and the payment of principal and interest on Pueblo County Limited Tax General Obligation Bond series 2006 issue of \$4,060,000. The bonds were issued by the County with the purpose of financing the construction of a new animal shelter. These bonds were retired in 2011 and the fund was closed in 2012.

Fiduciary Funds

Agency Funds

Agency funds account for assets held by the County as an agent for individuals, private organizations and/or other governments.

The **Other Taxing Entities Fund** accounts for the collection and payment to other taxing entities of property taxes billed and collected by the County on their behalf.

The **Subdivision Improvements Escrow Fund** accounts for deposits collected from land developers pertaining to current land development projects.

The **District Attorney's Restitution Fund** accounts for the compensation of victims of crime by requiring defendants to make monetary restitution for damages.

The **Public Trustees' Foreclosure Account** accounts for the collection of fees, costs and sales proceeds associated with property foreclosures within the County. Disbursements are paid to appropriate lien holders and property owners.

The **Enterprise Zone Administrator Fund** accounts for the contributions made to the enterprise zone administrator for the purpose of obtaining State of Colorado income tax credits. The contributions are forwarded to the not-for-profit organization designated by the donor.

NONMAJOR GOVERNMENTAL FUNDS

**PUEBLO COUNTY, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012**

Special Revenue

	Road and Bridge Fund	Employee Retirement	Board of Developmental Disabilities	Pueblo County Housing	Conservation Trust	Department of Aging Services
ASSETS						
Cash and Cash Equivalents	\$ 2,278,724	\$ 1,040,052	\$ 4,885	\$ 6,327	\$ 149,826	\$ 190,567
Investments	3,908,434	-	-	-	-	-
Receivables, Net						
Taxes	2,417,986	2,589,591	379,035	-	-	-
Grants	-	-	-	-	-	195,668
Notes	-	-	-	391,559	-	-
Due from Other Governments	482	909	-	-	-	-
Other Agencies	-	-	-	-	-	-
Other	3,781	-	133	-	-	29
Inventories	515,002	-	-	-	-	-
Due from Other Funds	-	84,265	-	-	1,023	-
TOTAL ASSETS	\$ 9,124,409	\$ 3,714,817	\$ 384,053	\$ 397,886	\$ 150,849	\$ 386,264
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 413,041	\$ 295,831	\$ 2,481	\$ 42,430	-	\$ 267,485
Due to Other Funds	63,815	39	-	-	-	836
Other Accrued Liabilities	3,581	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-	40,000
TOTAL LIABILITIES	480,437	295,870	2,481	42,430	-	308,321
DEFERRED INFLOWS OF RESOURCES	1,371,470	2,589,591	379,035	-	-	-
FUND BALANCES						
Nonspendable	515,002	-	-	355,456	-	-
Restricted	-	-	-	-	-	-
Committed	140,300	-	-	-	-	-
Assigned	6,617,200	829,356	2,537	-	150,849	77,943
TOTAL FUND BALANCES	7,272,502	829,356	2,537	355,456	150,849	77,943
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 9,124,409	\$ 3,714,817	\$ 384,053	\$ 397,886	\$ 150,849	\$ 386,264

Special Revenue (Continued)					Capital Projects	Debt Service		Total Nonmajor Governmental Funds
Housing and Human Services	Detention Commissary	Subdivision Park Site Fee	Fire Hydrant Impact Fee	Public Trustee	Capital Expenditure	Library Debt Service	Animal Shelter Debt Service	
\$ 302,165	\$ 403,397	\$ 116,314	\$ 84,856	\$ 337,794	\$ 1,931,562	\$ 103,526	\$ -	\$ 6,949,995
-	-	-	-	-	-	-	-	3,908,434
-	-	-	-	-	77,482	1,127,383	-	6,591,477
620,845	-	-	-	-	-	-	-	816,513
-	-	-	-	-	-	-	-	391,559
-	-	-	-	-	-	-	-	1,391
-	-	-	-	-	1,400,000	-	-	1,400,000
2,018	12,251	-	-	-	-	-	-	18,212
91,203	-	-	-	-	-	-	-	606,205
152,187	-	-	-	-	-	-	-	237,475
<u>\$ 1,168,418</u>	<u>\$ 415,648</u>	<u>\$ 116,314</u>	<u>\$ 84,856</u>	<u>\$ 337,794</u>	<u>\$ 3,409,044</u>	<u>\$ 1,230,909</u>	<u>\$ -</u>	<u>\$ 20,921,261</u>

\$ 522,414	\$ 8,543	\$ -	\$ -	\$ -	\$ 16,705	\$ 150	\$ -	\$ 1,569,080
11,220	-	-	-	15,737	-	-	-	91,647
417	-	-	-	-	-	-	-	3,998
355,000	-	-	-	-	-	-	-	395,000
<u>889,051</u>	<u>8,543</u>	<u>-</u>	<u>-</u>	<u>15,737</u>	<u>16,705</u>	<u>150</u>	<u>-</u>	<u>2,059,725</u>

118,884	-	-	-	-	-	1,127,383	-	5,586,363
-	-	-	-	-	1,400,000	-	-	2,270,458
-	-	-	-	-	1,850,000	103,376	-	1,953,376
-	-	-	-	-	-	-	-	140,300
<u>160,483</u>	<u>407,105</u>	<u>116,314</u>	<u>84,856</u>	<u>322,057</u>	<u>142,339</u>	<u>-</u>	<u>-</u>	<u>8,911,039</u>
<u>160,483</u>	<u>407,105</u>	<u>116,314</u>	<u>84,856</u>	<u>322,057</u>	<u>3,392,339</u>	<u>103,376</u>	<u>-</u>	<u>13,275,173</u>

<u>\$ 1,168,418</u>	<u>\$ 415,648</u>	<u>\$ 116,314</u>	<u>\$ 84,856</u>	<u>\$ 337,794</u>	<u>\$ 3,409,044</u>	<u>\$ 1,230,909</u>	<u>\$ -</u>	<u>\$ 20,921,261</u>
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PUEBLO COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2012

	Special Revenue					
	Road and Bridge Fund	Employee Retirement	Board of Developmental Disabilities	Pueblo County Housing	Conservation Trust	Department of Aging Services
REVENUES						
Taxes:						
Property Taxes, Net	\$ 1,328,462	\$2,508,123	\$ 367,147	\$ -	\$ -	-
Specific Ownership Taxes	111,863	211,222	30,914	-	-	-
Sales and Use Taxes	3,348,123	-	-	-	-	-
Licenses and Permits	3,000	-	-	-	-	-
Intergovernmental	1,013,689	30	4	73,654	369,351	1,396,614
State Highway Users Tax	4,554,965	-	-	-	-	-
Charges for Services	5,006,338	-	-	-	-	-
Investment Earnings	-	-	-	37	1,023	503
Contributions and Private Grants	-	-	-	-	-	-
Other Revenues	8,687	-	-	245	-	1
TOTAL REVENUES	15,375,127	2,719,375	398,065	73,936	370,374	1,397,118
EXPENDITURES						
Current:						
General Government	-	2,649,483	-	-	-	-
Public Safety	-	-	-	-	-	-
Highways and Streets	7,191,094	-	-	-	-	-
Health and Welfare	-	-	398,154	-	-	1,359,614
Culture and Recreation	-	-	-	-	305,542	-
Urban Development and Housing	-	-	-	111,926	-	-
Intergovernmental	1,721,374	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	3,065,694	-	-	-	-	-
TOTAL EXPENDITURES	11,978,162	2,649,483	398,154	111,926	305,542	1,359,614
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,396,965	69,892	(89)	(37,990)	64,832	37,504
OTHER FINANCING SOURCES (USES)						
Transfers In	692,999	-	-	-	-	-
Transfers Out	(413,706)	-	-	-	(140,000)	(35,000)
TOTAL OTHER FINANCING SOURCES (USES)	279,293	-	-	-	(140,000)	(35,000)
NET CHANGE IN FUND BALANCES	3,676,258	69,892	(89)	(37,990)	(75,168)	2,504
FUND BALANCES - January 1	3,596,244	759,464	2,626	393,446	226,017	75,439
FUND BALANCES - December 31	\$ 7,272,502	\$ 829,356	\$ 2,537	\$ 355,456	\$ 150,849	\$ 77,943

Special Revenue (Continued)					Capital Projects	Debt Services		Total Nonmajor Governmental Funds
Housing and Human Services	Detention Commissary	Subdivision Park Site Fee	Fire Hydrant Impact Fee	Public Trustee	Capital Expenditure	Library Debt Service	Animal Shelter Debt Service	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380	\$ 1,138,962	\$ 43	\$ 5,343,117
-	-	-	-	-	-	-	-	353,999
-	-	-	-	-	436,710	-	-	3,784,833
-	-	-	-	-	-	-	-	3,000
3,180,082	-	-	-	-	226,071	13	-	6,259,508
-	-	-	-	-	-	-	-	4,554,965
-	189,198	-	-	386,376	-	-	-	5,581,912
135	-	261	186	696	3,261	-	3	6,105
388,519	-	-	-	-	-	-	-	388,519
31,219	-	380	3,750	-	-	-	-	44,282
<u>3,599,955</u>	<u>189,198</u>	<u>641</u>	<u>3,936</u>	<u>387,072</u>	<u>666,422</u>	<u>1,138,975</u>	<u>46</u>	<u>26,320,240</u>
9,922	-	-	-	358,161	-	-	-	3,017,566
-	47,351	-	-	-	-	-	-	47,351
-	-	-	-	-	-	-	-	7,191,094
1,587,432	-	-	-	-	-	-	-	3,345,200
52,168	-	-	-	-	-	-	-	357,710
2,816,748	-	-	-	-	-	-	-	2,928,674
-	-	-	-	-	-	-	-	1,721,374
-	-	-	-	-	-	825,000	-	825,000
-	-	-	-	-	-	314,238	-	314,238
-	41,575	-	-	-	1,869,964	-	-	4,977,233
<u>4,466,270</u>	<u>88,926</u>	<u>-</u>	<u>-</u>	<u>358,161</u>	<u>1,869,964</u>	<u>1,139,238</u>	<u>-</u>	<u>24,725,440</u>
<u>(866,315)</u>	<u>100,272</u>	<u>641</u>	<u>3,936</u>	<u>28,911</u>	<u>(1,203,542)</u>	<u>(263)</u>	<u>46</u>	<u>1,594,800</u>
882,187	30	-	-	-	145,406	-	-	1,720,622
-	-	-	-	(15,737)	-	-	(1,809)	(606,252)
<u>882,187</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>(15,737)</u>	<u>145,406</u>	<u>-</u>	<u>(1,809)</u>	<u>1,114,370</u>
15,872	100,302	641	3,936	13,174	(1,058,136)	(263)	(1,763)	2,709,170
144,611	306,803	115,673	80,920	308,883	4,450,475	103,639	1,763	10,566,003
<u>\$ 160,483</u>	<u>\$ 407,105</u>	<u>\$ 116,314</u>	<u>\$ 84,856</u>	<u>\$ 322,057</u>	<u>\$ 3,392,339</u>	<u>\$ 103,376</u>	<u>\$ -</u>	<u>\$ 13,275,173</u>

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SPECIAL REVENUE FUNDS

PUEBLO COUNTY, COLORADO
ROAD AND BRIDGE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
REVENUES			
Property Taxes, Net	\$ 1,319,089	\$ 1,328,462	\$ 9,373
Specific Ownership Taxes	110,000	111,863	1,863
Sales and Use Taxes	3,270,688	3,348,123	77,435
Licenses and Permits	3,000	3,000	-
Intergovernmental	3,687,880	1,013,689	(2,674,191)
State Highway Users Tax	4,600,000	4,554,965	(45,035)
Charges for Services	5,000,000	5,006,338	6,338
Miscellaneous	6,800	8,687	1,887
TOTAL REVENUES	<u>17,997,457</u>	<u>15,375,127</u>	<u>(2,622,330)</u>
EXPENDITURES			
Highways and Streets	7,282,737	7,191,094	91,643
Intergovernmental	1,651,700	1,721,374	(69,674)
Capital Outlay	11,954,340	3,065,694	8,888,646
TOTAL EXPENDITURES	<u>20,888,777</u>	<u>11,978,162</u>	<u>8,910,615</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,891,320)</u>	<u>3,396,965</u>	<u>6,288,285</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	692,999	692,999
Transfers Out	(414,000)	-	414,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(414,000)</u>	<u>692,999</u>	<u>1,106,999</u>
NET CHANGE IN FUND BALANCE	(3,305,320)	4,089,964	7,395,284
FUND BALANCE - January 1	<u>4,055,819</u>	<u>3,182,538</u>	<u>(873,281)</u>
FUND BALANCE - December 31	<u>\$ 750,499</u>	<u>\$ 7,272,502</u>	<u>\$ 6,522,003</u>

PUEBLO COUNTY, COLORADO
RECONCILIATION OF THE BUDGETARY BASIS OF ACCOUNTING
TO GAAP BASIS OF ACCOUNTING
ROAD AND BRIDGE SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2012

BUDGETARY BASIS

Explanation of Differences Between Budgetary Expenditures and GAAP Expenditures

OTHER FINANCING SOURCES (USES)

Actual Amount (Budgetary Basis) of Other Financing Sources from the Budgetary Comparison Schedule	\$ 692,999
Differences - Budget to GAAP	
Transfers out used to offset advances to other funds are not uses of budgetary resources but are transfers for GAAP reporting purposes.	<u>(413,706)</u>
GAAP Basis Other Financing Sources (Uses)	<u>\$ 279,293</u>

PUEBLO COUNTY, COLORADO
EMPLOYEE RETIREMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Taxes -			
Property Taxes, Net	\$ 2,485,934	\$ 2,508,123	\$ 22,189
Specific Ownership Taxes	200,000	211,222	11,222
Intergovernmental - Other	-	30	30
TOTAL REVENUES	2,685,934	2,719,375	33,441
EXPENDITURES			
Personnel Services	71,400	69,446	1,954
Employer Contributions	2,580,000	2,580,037	(37)
TOTAL EXPENDITURES	2,651,400	2,649,483	1,917
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	34,534	69,892	35,358
FUND BALANCE, January 1	715,114	759,464	44,350
FUND BALANCE, December 31	\$ 749,648	\$ 829,356	\$ 79,708

PUEBLO COUNTY, COLORADO
BOARD OF DEVELOPMENTAL DISABILITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted</u> <u>Amounts</u> <u>Final</u>	<u>Actual</u> <u>Budget</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget-</u> <u>Positive</u> <u>(Negative)</u>
REVENUES			
Taxes -			
Property Taxes, Net	\$ 367,625	\$ 367,147	\$ (478)
Specific Ownership Taxes	34,000	30,914	(3,086)
Intergovernmental - Other	-	4	4
TOTAL REVENUES	<u>401,625</u>	<u>398,065</u>	<u>(3,560)</u>
EXPENDITURES			
County Board Allocations	<u>404,020</u>	<u>398,154</u>	<u>5,866</u>
TOTAL EXPENDITURES	<u>404,020</u>	<u>398,154</u>	<u>5,866</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,395)	(89)	2,306
FUND BALANCE, January 1	<u>2,395</u>	<u>2,626</u>	<u>231</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ 2,537</u>	<u>\$ 2,537</u>

PUEBLO COUNTY, COLORADO
PUEBLO COUNTY HOUSING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted</u> <u>Amounts</u> <u>Final</u>	<u>Actual</u> <u>Budget</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget-</u> <u>Positive</u> <u>Negative</u>
REVENUES			
Intergovernmental -			
Federal Grants	\$ 133,000	\$ 73,251	\$ (59,749)
Collection of Revolving Loans	9,600	8,666	(934)
Interest	500	686	186
TOTAL REVENUES	<u>143,100</u>	<u>82,603</u>	<u>(60,497)</u>
EXPENDITURES			
Housing Projects	<u>143,100</u>	<u>140,711</u>	<u>2,389</u>
EXCESS (DEFICIENCY) OF			
REVENUES OVER EXPENDITURES	-	(58,108)	(58,108)
FUND BALANCE, January 1			
	<u>8,369</u>	<u>22,005</u>	<u>13,636</u>
FUND BALANCE, December 31			
	<u>\$ 8,369</u>	<u>\$ (36,103)</u>	<u>\$ (44,472)</u>
Adjustment from Budgetary Basis to Generally Accepted Accounting Principles -			
Notes Receivable		<u>391,559</u>	
FUND BALANCE - Generally Accepted Accounting Principles		<u>\$ 355,456</u>	

PUEBLO COUNTY, COLORADO
CONSERVATION TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted</u> <u>Amounts</u> <u>Final</u>	<u>Actual</u> <u>Budget</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget-</u> <u>Positive</u> <u>(Negative)</u>
REVENUES			
Colorado Lottery Allotment	\$ 310,000	\$ 369,351	\$ 59,351
Interest	3,000	1,023	(1,977)
TOTAL REVENUES	<u>313,000</u>	<u>370,374</u>	<u>57,374</u>
EXPENDITURES AND OTHER			
FINANCING USES			
Grants to Other Entities	305,875	305,542	333
Transfers to Other Funds	140,000	140,000	-
TOTAL EXPENDITURES AND			
OTHER FINANCING USES	<u>445,875</u>	<u>445,542</u>	<u>333</u>
EXCESS (DEFICIENCY) OF REVENUES OVER			
EXPENDITURES AND OTHER FINANCING USES	(132,875)	(75,168)	57,707
FUND BALANCE, January 1	<u>230,752</u>	<u>226,017</u>	<u>(4,735)</u>
FUND BALANCE, December 31	<u>\$ 97,877</u>	<u>\$ 150,849</u>	<u>\$ 52,972</u>

PUEBLO COUNTY, COLORADO
DEPARTMENT OF AGING SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
	<u>Final</u>	<u>Amounts</u>	<u>(Negative)</u>
REVENUES			
Intergovernmental -			
Title III Grants -			
Administration	\$ 71,702	\$ 77,537	\$ 5,835
Part B	213,376	209,586	(3,790)
Part C-1	147,970	144,171	(3,799)
Part C-2	220,174	223,857	3,683
Part E	82,862	92,364	9,502
Medication Management	3,114	-	(3,114)
Title VII Grants	11,256	11,655	399
State Older Coloradoans Program	409,312	439,989	30,677
City of Pueblo	10,000	10,000	-
Federal USDA	160,000	142,178	(17,822)
Other Grants	200,000	45,278	(154,722)
Interest	300	503	203
TOTAL REVENUES	<u>1,530,066</u>	<u>1,397,118</u>	<u>(132,948)</u>
EXPENDITURES AND OTHER FINANCING USES			
Administration	89,209	92,625	(3,416)
Part B - Supportive Services	492,754	340,334	152,420
Part C-1 - Congregate Meals	147,970	144,171	3,799
Part C-2 - Home Delivered Meals	220,174	223,807	(3,633)
Cash in Lieu of Commodities	160,000	142,178	17,822
Elder Rights	11,256	11,601	(345)
Older Coloradoans Program	374,978	404,898	(29,920)
Transfers Out	35,000	35,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>1,531,341</u>	<u>1,394,614</u>	<u>136,727</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(1,275)	2,504	3,779
FUND BALANCE, January 1	<u>60,189</u>	<u>75,439</u>	<u>15,250</u>
FUND BALANCE, December 31	<u>\$ 58,914</u>	<u>\$ 77,943</u>	<u>\$ 19,029</u>

PUEBLO COUNTY, COLORADO
HOUSING AND HUMAN SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES			
Intergovernmental -			
Low Income Energy Assistance Program	\$ -	\$ 662,060	\$ 662,060
Weatherization Assistance for Low-Income Persons	4,372,282	1,250,522	(3,121,760)
Commodity Administration	100,500	123,949	23,449
Community Service Block Grants	290,392	294,474	4,082
Community Development Block Grant ERESP	45,000	53,448	8,448
Commodity Supplemental Food Program	990,000	694,995	(295,005)
Emergency Shelter Grants Program	53,000	42,500	(10,500)
Housing Partnership Investment Program	13,800	12,767	(1,033)
State of Colorado Energy Grants	151,275	45,368	(105,907)
City of Pueblo Grant Review Partners	753,250	-	(753,250)
Contributions and Private Grants			
Public Service - Weatherization	-	72,259	72,259
Utilicorp - Electric Conservation	-	8,220	8,220
Client Participation	306,375	190,947	(115,428)
Interest Income	-	135	135
Other-			
Miscellaneous	572,601	148,311	(424,290)
Transfers In	254,313	882,187	627,874
TOTAL REVENUES AND OTHER FINANCING SOURCES			
	<u>7,902,788</u>	<u>4,482,142</u>	<u>(3,420,646)</u>
EXPENDITURES			
McHarg Park Community Center	66,828	52,168	14,660
E\$P Weatherization	1,535,275	808,610	726,665
Client Weatherization Program	3,139,557	1,409,003	1,730,554
Crisis Intervention Program	155,100	128,992	26,108
Administration	13,800	12,766	1,034
Community Service Block Grant Programs	1,603,642	294,474	1,309,168
Emergency Shelter Program	53,000	42,500	10,500
Commodity Supplemental Food Program	70,000	101,716	(31,716)
Temporary Emergency Food Assistance	30,500	12,239	18,261
Commodity Distribution	990,000	694,995	295,005
Health Disparities Program	24,272	12,705	11,567
Housing Services	141,015	93,348	47,667
Emergency Repairs Seniors Program	90,000	92,004	(2,004)
City of Pueblo Grant Review Partners	-	710,750	(710,750)
TOTAL EXPENDITURES			
	<u>7,912,989</u>	<u>4,466,270</u>	<u>3,446,719</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES			
	(10,201)	15,872	26,073
FUND BALANCE, January 1	148,696	144,611	(4,085)
FUND BALANCE, December 31	<u>\$ 138,495</u>	<u>\$ 160,483</u>	<u>\$ 21,988</u>

PUEBLO COUNTY, COLORADO
DETENTION COMMISSARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted</u> <u>Amounts</u> <u>Final</u>	<u>Actual</u> <u>Budget</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget-</u> <u>Positive</u> <u>(Negative)</u>
REVENUES AND OTHER FINANCING SOURCES			
Contract Commissions	\$ 150,000	\$ 189,198	\$ 39,198
Transfers from Other Funds	<u>-</u>	<u>30</u>	<u>30</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>150,000</u>	<u>189,228</u>	<u>39,228</u>
EXPENDITURES			
Operating Supplies	159,398	47,351	112,047
Purchased Services	21,400	-	21,400
Capital Outlay	<u>121,210</u>	<u>41,575</u>	<u>79,635</u>
TOTAL EXPENDITURES	<u>302,008</u>	<u>88,926</u>	<u>213,082</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(152,008)	100,302	252,310
FUND BALANCE, January 1	<u>315,580</u>	<u>306,803</u>	<u>(8,777)</u>
FUND BALANCE, December 31	<u><u>\$ 163,572</u></u>	<u><u>\$ 407,105</u></u>	<u><u>\$ 243,533</u></u>

PUEBLO COUNTY, COLORADO
SUBDIVISION PARK SITE FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts Final</u>	<u>Actual Budget Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES			
Investment Earnings	\$ 1,000	\$ 261	\$ (739)
Miscellaneous	<u>4,000</u>	<u>380</u>	<u>(3,620)</u>
TOTAL REVENUES	<u>5,000</u>	<u>641</u>	<u>(4,359)</u>
EXPENDITURES			
Recreation	<u>10,000</u>	-	<u>10,000</u>
TOTAL EXPENDITURES	<u>10,000</u>	<u>-</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,000)	641	5,641
FUND BALANCE, January 1	<u>110,169</u>	<u>115,673</u>	<u>5,504</u>
FUND BALANCE, December 31	<u>\$ 105,169</u>	<u>\$ 116,314</u>	<u>\$ 11,145</u>

PUEBLO COUNTY, COLORADO
FIRE HYDRANT IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts Final</u>	<u>Actual Budget Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES			
Investment Earnings	\$ 1,000	\$ 186	\$ (814)
Miscellaneous	9,000	3,750	(5,250)
TOTAL REVENUES	<u>10,000</u>	<u>3,936</u>	<u>(6,064)</u>
EXPENDITURES			
Public Safety	<u>30,000</u>	-	<u>30,000</u>
TOTAL EXPENDITURES	<u>30,000</u>	<u>-</u>	<u>30,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(20,000)	3,936	23,936
FUND BALANCES, January 1	<u>86,828</u>	<u>80,920</u>	<u>(5,908)</u>
FUND BALANCE, December 31	<u><u>\$ 66,828</u></u>	<u><u>\$ 84,856</u></u>	<u><u>\$ 18,028</u></u>

PUEBLO COUNTY, COLORADO
PUBLIC TRUSTEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
	<u>Final</u>	<u>Amounts</u>	<u>(Negative)</u>
REVENUES			
Charges for Services	\$ 400,400	\$ 386,376	\$ (14,024)
Interest	100	696	596
TOTAL REVENUES	<u>400,500</u>	<u>387,072</u>	<u>(13,428)</u>
EXPENDITURES AND OTHER FINANCING USES			
Personnel Services	302,850	243,941	58,909
Supplies	5,000	4,986	14
Other Services and Charges	46,950	101,247	(54,297)
Purchased Services	12,700	7,987	4,713
Capital Outlay	500	-	500
Transfers Out	32,500	15,737	16,763
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>400,500</u>	<u>373,898</u>	<u>26,602</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	-	13,174	13,174
FUND BALANCE, January 1	<u>318,545</u>	<u>308,883</u>	<u>(9,662)</u>
FUND BALANCE, December 31	<u>\$ 318,545</u>	<u>\$ 322,057</u>	<u>\$ 3,512</u>

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CAPITAL PROJECTS FUNDS

PUEBLO COUNTY, COLORADO
CAPITAL EXPENDITURES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted</u> <u>Amounts</u> <u>Final</u>	<u>Actual</u> <u>Budget</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget-</u> <u>Positive</u> <u>(Negative)</u>
REVENUES AND OTHER FINANCING SOURCES			
Taxes -			
Property Taxes, Net	\$ -	\$ 379	\$ 379
Sales and Use Taxes	375,314	436,711	61,397
Intergovernmental -			
Intergovernmental - State Grants	-	226,071	226,071
Investment Earnings	-	3,261	3,261
Transfers In	-	145,406	145,406
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>375,314</u>	<u>811,828</u>	<u>436,514</u>
EXPENDITURES			
Capital Outlay -			
Property Acquisition	-	104,819	(104,819)
Improvements, Buildings	283,280	312,405	(29,125)
Improvements, Other than Buildings	762,034	349,098	412,936
TOTAL EXPENDITURES	<u>1,045,314</u>	<u>766,322</u>	<u>278,992</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(670,000)	45,506	715,506
FUND BALANCE, January 1	<u>3,067,182</u>	<u>3,346,833</u>	<u>279,651</u>
FUND BALANCE, December 31	<u>\$ 2,397,182</u>	<u>\$ 3,392,339</u>	<u>\$ 995,157</u>

**PUEBLO COUNTY, COLORADO
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012**

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES			
Intergovernmental - State Grants	\$ -	\$ 9,257	\$ 9,257
Investment Earnings	-	275,917	275,917
Issuance of Certificates of Participation	55,000,000	55,000,000	-
Original Issue Premium on Issuance of COPs	-	4,400,198	4,400,198
Transfers In	450,000	417,740	(32,260)
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>55,450,000</u>	<u>60,103,112</u>	<u>4,653,112</u>
EXPENDITURES AND OTHER FINANCING USES			
Debt Service -			
Debt Issuance and Insurance Costs	-	1,441,272	(1,441,272)
Capital Outlay	55,707,000	15,562,990	40,144,010
Transfers Out	-	1,022,480	(1,022,480)
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>55,707,000</u>	<u>18,026,742</u>	<u>37,680,258</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES			
	(257,000)	42,076,370	42,333,370
FUND BALANCE, January 1	<u>257,321</u>	<u>33,351</u>	<u>(223,970)</u>
FUND BALANCE, December 31	<u>\$ 321</u>	<u>\$ 42,109,721</u>	<u>\$ 42,109,400</u>

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DEBT SERVICE FUNDS

PUEBLO COUNTY, COLORADO
LIBRARY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted</u> <u>Amounts</u> <u>Final</u>	<u>Actual</u> <u>Budget</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget-</u> <u>Positive</u> <u>(Negative)</u>
REVENUES			
Property Taxes, Net	\$ 1,139,588	\$ 1,138,962	\$ (626)
Intergovernmental -			
Other	-	13	13
TOTAL REVENUES	<u>1,139,588</u>	<u>1,138,975</u>	<u>(613)</u>
EXPENDITURES			
Current Fiscal Charges	500	150	350
Debt service -			
Principal	825,000	825,000	-
Interest and Fiscal Charges	314,088	314,088	-
TOTAL EXPENDITURES	<u>1,139,588</u>	<u>1,139,238</u>	<u>350</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(263)	(263)
FUND BALANCES, January 1	<u>102,592</u>	<u>103,639</u>	<u>1,047</u>
FUND BALANCE, December 31	<u>\$ 102,592</u>	<u>\$ 103,376</u>	<u>\$ 784</u>

**PUEBLO COUNTY, COLORADO
ANIMAL SHELTER DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts Final</u>	<u>Actual Budget Amount</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES			
Property Taxes, Net	\$ -	\$ 43	\$ 43
Investment Earnings	-	3	3
TOTAL REVENUES	<u>-</u>	<u>46</u>	<u>46</u>
OTHER FINANCING USES			
Transfers to Other Funds	<u>-</u>	<u>1,809</u>	<u>(1,809)</u>
TOTAL OTHER FINANCING USES	<u>-</u>	<u>1,809</u>	<u>(1,809)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER OTHER FINANCING USES	-	(1,763)	(1,763)
FUND BALANCE, January 1	<u>1,220</u>	<u>1,763</u>	<u>543</u>
FUND BALANCE, December 31	<u>\$ 1,220</u>	<u>\$ -</u>	<u>\$ (1,220)</u>

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ENTERPRISE FUND

PUEBLO COUNTY, COLORADO
DESERT HAWK GOLF COURSE AT PUEBLO WEST
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted</u> <u>Amounts</u> <u>Final</u>	<u>Actual</u> <u>Budget</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget-</u> <u>Positive</u> <u>(Negative)</u>
REVENUES AND OTHER			
FINANCING SOURCES			
Green Fees	\$ 607,500	\$ 526,647	\$ (80,853)
Cart Fees	240,000	213,858	(26,142)
Restaurant Rent	15,000	15,000	-
Driving Range and Other	50,700	44,464	(6,236)
Investment Earnings	900	1,100	200
Contributions	9,660	22,397	12,737
Transfers In	3,910,090	3,909,027	(1,063)
Advance from Other Government	308,090	317,782	9,692
TOTAL REVENUES AND OTHER	<u>5,141,940</u>	<u>5,050,275</u>	<u>(91,665)</u>
FINANCING SOURCES			
EXPENDITURES			
Personnel Services	29,943	28,584	1,359
Contract Fees	346,650	315,591	31,059
Supplies	196,273	192,356	3,917
Professional Services	11,727	9,450	2,277
Insurance	8,183	9,076	(893)
Repairs and Maintenance	21,344	10,142	11,202
Utilities and Communications	219,678	246,326	(26,648)
Equipment Rent	2,984	6,214	(3,230)
Capital Outlay	88,669	25,007	63,662
Debt Service:			
Interest and Fiscal Charges	273,079	272,969	110
Principal	350,000	350,000	-
TOTAL EXPENDITURES	<u>1,548,530</u>	<u>1,465,715</u>	<u>82,815</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER			
FINANCING SOURCES OVER EXPENDITURES	<u>\$ 3,593,410</u>	<u>\$ 3,584,560</u>	<u>\$ (8,850)</u>

AGENCY FUNDS

PUEBLO COUNTY, COLORADO
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2012

	Other Taxing Entities	Subdivision Improvements Escrow	District Attorney's Restitution Fund	Public Trustee's Foreclosure Account	Enterprise Zone Administrator Fund	Total
ASSETS						
Cash and Cash Equivalents	\$ 4,193,411	\$ 403,408	\$ 12,938	\$ 16,564	\$ 26,450	\$ 4,652,771
Receivables, Net	-	-	-	-	93,834	93,834
TOTAL ASSETS	\$ 4,193,411	\$ 403,408	\$ 12,938	\$ 16,564	\$ 120,284	\$ 4,746,605
LIABILITIES						
Due to Other Governments	\$ 4,193,411	\$ -	\$ -	\$ -	\$ -	\$ 4,193,411
Due to Developers	-	403,408	-	-	-	403,408
Due to Victims and Insurance Companies	-	-	12,938	-	-	12,938
Due to Lien Holders and Property Owners	-	-	-	16,564	-	16,564
Due to Other Entities	-	-	-	-	120,284	120,284
TOTAL LIABILITIES	\$ 4,193,411	\$ 403,408	\$ 12,938	\$ 16,564	\$ 120,284	\$ 4,746,605

PUEBLO COUNTY, COLORADO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2012

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
<u>OTHER TAXING ENTITIES</u>				
ASSETS				
Cash and Cash Equivalents	\$3,911,327	\$201,386,705	\$201,104,621	\$ 4,193,411
LIABILITIES				
Due to Other Taxing Districts	\$3,911,327	\$201,386,705	\$201,104,621	\$ 4,193,411
<u>SUBDIVISION IMPROVEMENTS ESCROW</u>				
ASSETS				
Cash and Cash Equivalents	\$ 308,010	\$ 95,398	\$ -	\$ 403,408
LIABILITIES				
Due to Developers	\$ 308,010	\$ 95,398	\$ -	\$ 403,408
<u>DISTRICT ATTORNEY'S RESTITUTION FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 12,115	\$ 2,680	\$ 1,857	\$ 12,938
LIABILITIES				
Due to Victims and Insurance Companies	\$ 12,115	\$ 2,680	\$ 1,857	\$ 12,938
<u>PUBLIC TRUSTEE'S FORECLOSURE ACCOUNT</u>				
ASSETS				
Cash and Cash Equivalents	\$ 193,033	\$ 5,861,063	\$ 6,037,532	\$ 16,564
LIABILITIES				
Due to Lien Holders and Property Owners	\$ 193,033	\$ 5,861,063	\$ 6,037,532	\$ 16,564
<u>ENTERPRISE ZONE ADMINISTRATOR FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 750	\$ 524,354	\$ 498,654	\$ 26,450
Other Accounts Receivable	80,588	93,834	80,588	93,834
TOTAL ASSETS	\$ 81,338	\$ 618,188	\$ 579,242	\$ 120,284
LIABILITIES				
Due to Other Entities	\$ 81,338	\$ 618,188	\$ 579,242	\$ 120,284
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$4,425,235	\$207,870,200	\$207,642,664	\$ 4,652,771
Other Accounts Receivable	80,588	93,834	80,588	93,834
TOTAL ASSETS	\$4,505,823	\$207,964,034	\$207,723,252	\$ 4,746,605
LIABILITIES				
Due to Other Taxing Entities	\$3,911,327	\$201,386,705	\$201,104,621	\$ 4,193,411
Due to Developers	308,010	95,398	-	403,408
Due to Victims and Insurance Companies	12,115	2,680	1,857	12,938
Due to Lien Holders and Property Owners	193,033	5,861,063	6,037,532	16,564
Due to Other Entities	81,338	618,188	579,242	120,284
TOTAL LIABILITIES	\$4,505,823	\$207,964,034	\$207,723,252	\$ 4,746,605

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**COMPONENT UNITS
FUND FINANCIAL STATEMENTS**

PUEBLO COUNTY, COLORADO
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Pueblo County Community Development Corporation	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc	Total
ASSETS				
Cash and Cash Equivalents	\$ 858,715	\$ 1,059,018	\$ 209,073	\$ 2,126,806
Investments	-	-	50,692	50,692
Receivables, Net	250,852	62,521	-	313,373
Capital Assets:				
Works of Art	-	-	24,467	24,467
Machinery and Equipment	-	292,650	207,957	500,607
Less Accumulated Depreciation	-	(165,873)	(48,466)	(214,339)
Total Capital Assets, Net	-	126,777	183,958	310,735
TOTAL ASSETS	1,109,567	1,248,316	443,723	2,801,606
LIABILITIES				
Accounts Payable and Accrued Expenses	-	4,769	1,513	6,282
Due to Other Governments	-	43,642	-	43,642
TOTAL LIABILITIES	-	48,411	1,513	49,924
NET POSITION				
Net Investment in Capital Assets	-	126,777	183,958	310,735
Unrestricted	1,109,567	1,073,128	258,252	2,440,947
TOTAL NET POSITION	\$ 1,109,567	\$ 1,199,905	\$ 442,210	\$ 2,751,682

PUEBLO COUNTY, COLORADO
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2012

	Pueblo County Pueblo County Community Development Corporation	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc	Total
OPERATING REVENUES				
Charges for Services	\$ 30,075	\$ 467,353	\$ 499,942	\$ 997,370
TOTAL OPERATING REVENUES	<u>30,075</u>	<u>467,353</u>	<u>499,942</u>	<u>997,370</u>
OPERATING EXPENSES				
Economic Development and Assistance:				
Administration	3,492	-	-	3,492
Public Safety:				
Administration	-	498,905	-	498,905
Depreciation	-	38,430	-	38,430
Culture and Recreation:				
Baseball park operations:				
Personnel Services	-	-	288,501	288,501
Supplies	-	-	182,395	182,395
Professional Services	-	-	15,656	15,656
Insurance	-	-	18,537	18,537
Depreciation	-	-	17,116	17,116
Repairs and Maintenance	-	-	95,386	95,386
TOTAL OPERATING EXPENSES	<u>3,492</u>	<u>537,335</u>	<u>617,591</u>	<u>1,158,418</u>
OPERATING INCOME (LOSS)	<u>26,583</u>	<u>(69,982)</u>	<u>(117,649)</u>	<u>(161,048)</u>
NONOPERATING REVENUES				
Interest Income	1,434	2,023	536	3,993
Operating Grants & Contributions	-	-	110,911	110,911
TOTAL NONOPERATING REVENUES	<u>1,434</u>	<u>2,023</u>	<u>111,447</u>	<u>114,904</u>
CHANGE IN NET POSITION	<u>28,017</u>	<u>(67,959)</u>	<u>(6,202)</u>	<u>(46,144)</u>
NET POSITION, January 1	<u>1,081,550</u>	<u>1,267,864</u>	<u>448,412</u>	<u>2,797,826</u>
NET POSITION, December 31	<u>\$ 1,109,567</u>	<u>\$ 1,199,905</u>	<u>\$ 442,210</u>	<u>\$ 2,751,682</u>

PUEBLO COUNTY, COLORADO
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012

	Pueblo County			
	Pueblo County Community Development Corporation	Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 13,504	\$ 473,069	\$ 486,256	\$ 972,829
Payments to Suppliers for Goods and Services	(4,392)	(543,742)	(298,054)	(846,188)
Payments to Employees	-	-	(288,501)	(288,501)
Net Cash Provided (Used) by Operating Activities	<u>9,112</u>	<u>(70,673)</u>	<u>(100,299)</u>	<u>(161,860)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Grants & Contributions	-	-	110,911	110,911
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>110,911</u>	<u>110,911</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Advances on New Notes	(50,000)	-	-	(50,000)
Principal Payments on Notes	117,924	-	-	117,924
Purchases of Capital Assets	-	(70,082)	(28,164)	(98,246)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>67,924</u>	<u>(70,082)</u>	<u>(28,164)</u>	<u>(30,322)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	-	-	(164)	(164)
Interest Received	1,434	2,023	536	3,993
Net Cash Provided by Investing Activities	<u>1,434</u>	<u>2,023</u>	<u>372</u>	<u>3,829</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	78,470	(138,732)	(17,180)	(77,442)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>780,245</u>	<u>1,197,750</u>	<u>226,253</u>	<u>2,204,248</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 858,715</u>	<u>\$ 1,059,018</u>	<u>\$ 209,073</u>	<u>\$ 2,126,806</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 26,583	\$ (69,982)	\$ (117,649)	\$ (161,048)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	-	38,430	17,116	55,546
Bad Debt Expense	(15,000)	-	-	(15,000)
Change in Assets and Liabilities -				
Accounts Receivable	(1,571)	5,715	-	4,144
Accounts Payable and Accrued Expenses	(900)	(44,836)	234	(45,502)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 9,112</u>	<u>\$ (70,673)</u>	<u>\$ (100,299)</u>	<u>\$ (161,860)</u>

PUEBLO COUNTY, COLORADO
PUEBLO COUNTY COMMUNITY DEVELOPMENT CORPORATION COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts Final</u>	<u>Actual Budget Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES			
Intergovernmental -			
Federal Grants	\$ 200,000	\$ -	\$ (200,000)
Collection of Revolving Loans	190,000	117,926	(72,074)
Interest Income	<u>31,000</u>	<u>16,507</u>	<u>(14,493)</u>
TOTAL REVENUES	<u>421,000</u>	<u>134,433</u>	<u>(286,567)</u>
EXPENDITURES			
Administration	33,200	3,492	29,708
Economic Development Grants and Loans	<u>300,000</u>	<u>50,000</u>	<u>250,000</u>
TOTAL EXPENDITURES	<u>333,200</u>	<u>53,492</u>	<u>279,708</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	87,800	80,941	(6,859)
FUND BALANCE, January 1	<u>30,100</u>	<u>779,345</u>	<u>749,245</u>
FUND BALANCE, December 31	<u>\$ 117,900</u>	<u>\$ 860,286</u>	<u>\$ 742,386</u>
Adjustment from Budgetary Basis to GAAP -			
Notes Receivable		<u>249,281</u>	
NET POSITION - Generally Accepted Accounting Principles		<u>\$ 1,109,567</u>	

PUEBLO COUNTY, COLORADO
COUNTY EMERGENCY TELEPHONE SERVICE AUTHORITY COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts Final</u>	<u>Actual Budget Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES			
Emergency Telephone Charge	\$ 575,000	\$ 467,353	\$ (107,647)
Interest Income	1,000	2,023	1,023
TOTAL REVENUES	<u>576,000</u>	<u>469,376</u>	<u>(106,624)</u>
EXPENDITURES			
Public Safety	<u>592,509</u>	<u>568,986</u>	<u>23,523</u>
TOTAL EXPENDITURES	<u>592,509</u>	<u>568,986</u>	<u>23,523</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(16,509)</u>	<u>(99,610)</u>	<u>(83,101)</u>
FUND BALANCE, January 1	<u>1,300,659</u>	<u>1,172,738</u>	<u>(127,921)</u>
FUND BALANCE, December 31	<u>\$ 1,284,150</u>	<u>\$ 1,073,128</u>	<u>\$ (211,022)</u>
Adjustment from Budgetary Basis to GAAP -			
Investment in Capital Assets		<u>126,777</u>	
NET POSITION - Generally Accepted Accounting Principles		<u>\$ 1,199,905</u>	

PUEBLO COUNTY, COLORADO
RUNYON SPORTS COMPLEX COMMISSION, INC. COMPONENT UNIT
SCHEDULE OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted</u> <u>Amounts</u> <u>Final</u>	<u>Actual</u> <u>Budget</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Positive</u> <u>(Negative)</u>
REVENUES			
Charges for Services	\$ 380,050	\$ 499,942	\$ 119,892
Interest Income	1,200	536	(664)
Operating Grants & Contributions	97,165	110,911	13,746
TOTAL REVENUES	<u>478,415</u>	<u>611,389</u>	<u>132,974</u>
EXPENDITURES			
Culture and Recreation			
Baseball Park Operations:			
Personnel Services	309,490	288,501	20,989
Supplies	175,200	182,395	(7,195)
Professional Services	38,482	15,656	22,826
Insurance	18,100	18,537	(437)
Capital Outlay	57,000	123,550	(66,550)
TOTAL EXPENDITURES	<u>598,272</u>	<u>628,639</u>	<u>(30,367)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(119,857)	(17,250)	102,607
FUND BALANCE, January 1	<u>201,245</u>	<u>275,502</u>	<u>74,257</u>
FUND BALANCE, December 31	<u>\$ 81,388</u>	<u>\$ 258,252</u>	<u>\$ 176,864</u>
Adjustment from Budgetary Basis to GAAP -			
Investment in Capital Assets		<u>183,958</u>	
NET POSITION - Generally Accepted Accounting Principles		<u>\$ 442,210</u>	

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OTHER SCHEDULES

The public report burden for this information collection is estimated to average 380 hours annually.

City or County:
PUEBLO
YEAR ENDING :
December 2012

LOCAL HIGHWAY FINANCE REPORT

This Information From The Records Of (example - City of _ or County of _): Prepared By: SHERRI CROW & PAT COFFEE
Phone: 719-583-6012

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,914,348
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	7,457,611
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	134,371
2. General fund appropriations	692,999	b. Snow and ice removal	156,712
3. Other local imposts (from page 2)	9,791,432	c. Other	
4. Miscellaneous local receipts (from page 2)	177,721	d. Total (a. through c.)	291,083
5. Transfers from toll facilities		4. General administration & miscellaneous	616,325
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	162,681
a. Bonds - Original Issues		6. Total (1 through 5)	12,442,048
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	10,662,152	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	4,813,238	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	642,917	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	16,118,307	3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	12,442,048

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,596,243	16,118,307	12,442,048	7,272,502	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2012

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	1,324,975	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	3,348,123	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	5,000,000	d. Parking Meter Fees	
3. Liens	3,471	e. Sale of Surplus Property	16
4. Licenses	3,000	f. Charges for Services	0
5. Specific Ownership &/or Other	111,863	g. Other Misc. Receipts	15,024
6. Total (1. through 5.)	8,466,457	h. Other	162,681
c. Total (a. + b.)	9,791,432	i. Total (a. through h.)	177,721
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	4,554,965	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	17,622
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	258,273	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	625,295
f. Total (a. through e.)	258,273	g. Total (a. through f.)	642,917
4. Total (1. + 2. + 3 f)	4,813,238	3. Total (1. + 2. g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		2,790	2,790
b. Engineering Costs		532,577	532,577
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		1,535,567	1,535,567
(3). System Preservation		1,431,974	1,431,974
(4). System Enhancement & Operation		411,440	411,440
(5). Total Construction (1) + (2) + (3) + (4)	0	3,378,981	3,378,981
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,914,348	3,914,348
			(Carry forward to page 1)

Notes and Comments:

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STATISTICAL SECTION

**PUEBLO COUNTY, COLORADO
STATISTICAL SECTION
DECEMBER 31, 2012**

COMMENT RELATIVE TO STATISTICAL SECTION

This part of the Pueblo County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Statistical tables differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These reflect social and economic data, financial trends, and the fiscal capacity of the government. The tables are un-audited due to the nature of the information contained therein.

PUEBLO COUNTY, COLORADO
STATISTICAL SECTION
DECEMBER 31, 2012

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<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
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Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

PUEBLO COUNTY, COLORADO
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2003	2004	2005
Governmental Activities			
Net Investment in Capital Assets	\$103,089,917	\$104,171,064	\$111,126,246
Restricted	3,048,464	3,050,280	4,055,916
Unrestricted	22,101,521	20,201,603	11,013,395
Total Governmental Activities Net Position	<u>128,239,902</u>	<u>127,422,947</u>	<u>126,195,557</u>
Business-Type Activities			
Net Investment in Capital Assets	(1,072,253)	(1,077,323)	(904,054)
Restricted	637,805	638,315	625,796
Unrestricted	(2,015,137)	(2,592,622)	(3,189,129)
Total Business-Type Activities Net Position	<u>(2,449,585)</u>	<u>(3,031,630)</u>	<u>(3,467,387)</u>
Primary Government			
Net Investment in Capital Assets	102,017,664	103,093,741	110,222,192
Restricted	3,686,269	3,688,595	4,681,712
Unrestricted	20,086,384	17,608,981	7,824,266
Total Primary Government Net Position	<u>\$125,790,317</u>	<u>\$124,391,317</u>	<u>\$122,728,170</u>

2006	2007	2008	2009	2010	2011 Restated	2012
\$120,136,683	\$132,494,708	\$143,787,351	\$156,687,721	\$157,610,527	\$162,146,287	\$158,573,781
4,811,887	3,780,362	9,608,772	3,384,675	3,086,170	6,152,043	46,463,097
4,903,072	7,109,686	(5,760,548)	(10,308,282)	(3,630,998)	(18,219,489)	(60,881,146)
<u>129,851,642</u>	<u>143,384,756</u>	<u>147,635,575</u>	<u>149,764,114</u>	<u>157,065,699</u>	<u>150,078,841</u>	<u>144,155,732</u>
(849,534)	(705,617)	(604,175)	(253,412)	(36,777)	155,022	358,781
623,499	625,751	626,541	-	-	-	-
<u>(3,728,387)</u>	<u>(4,380,803)</u>	<u>(5,068,346)</u>	<u>(5,347,425)</u>	<u>(6,141,148)</u>	<u>(6,853,166)</u>	<u>(3,646,238)</u>
<u>(3,954,422)</u>	<u>(4,460,669)</u>	<u>(5,045,980)</u>	<u>(5,600,837)</u>	<u>(6,177,925)</u>	<u>(6,698,144)</u>	<u>(3,287,457)</u>
119,287,149	131,789,091	143,183,176	156,434,309	157,573,750	162,301,309	158,932,562
5,435,386	3,780,362	10,235,313	3,384,675	3,086,170	6,152,043	46,463,097
1,174,685	3,354,634	(10,828,894)	(15,655,707)	(9,772,146)	(25,072,655)	(64,527,384)
<u>\$125,897,220</u>	<u>\$138,924,087</u>	<u>\$142,589,595</u>	<u>\$144,163,277</u>	<u>\$150,887,774</u>	<u>\$143,380,697</u>	<u>\$140,868,275</u>

PUEBLO COUNTY, COLORADO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Expenses	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities:				
General Government	\$ 22,810,052	\$ 23,243,852	\$ 22,596,490	\$ 24,097,907
Public Safety	20,186,010	22,325,665	24,960,665	24,459,749
Road and Bridge	10,113,686	10,473,021	11,156,536	11,445,958
Health, Welfare and Sanitation	26,545,366	24,341,764	25,475,002	25,190,014
Culture and Recreation	1,141,657	1,803,846	1,365,328	1,291,565
Conservation	496,722	505,606	607,259	614,677
Urban Redevelopment and Housing	2,221,242	2,263,343	2,432,354	2,419,113
Economic Development and Assistance	228,473	288,258	508,165	510,294
Interest on Long-Term Debt	704,380	681,332	464,806	673,439
Total Governmental Activities Expenses	<u>84,447,588</u>	<u>85,926,687</u>	<u>89,566,605</u>	<u>90,702,716</u>
Business-Type Activities:				
Desert Hawk Golf Course	1,300,347	1,268,569	1,188,311	1,288,775
Total Primary Government Expenses	<u>\$ 85,747,935</u>	<u>\$ 87,195,256</u>	<u>\$ 90,754,916</u>	<u>\$ 91,991,491</u>
 Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 4,753,535	\$ 4,369,373	\$ 4,353,825	\$ 4,131,849
Public Safety	1,972,098	1,906,766	2,477,152	2,403,834
Road and Bridge	293,030	245,947	397,602	273,136
Health, Welfare and Sanitation	311,230	341,210	401,360	421,114
Culture and Recreation	810	41,870	44,013	68,113
Conservation	35,750	36,000	135,982	73,361
Urban Redevelopment and Housing	284,081	317,297	200,800	202,552
Operating Grants and Contributions	28,835,850	28,030,469	29,140,465	28,617,110
Capital Grants and Contributions	2,866,405	4,831,100	3,589,625	7,336,480
Total Governmental Activities Program Revenues	<u>39,352,789</u>	<u>40,120,032</u>	<u>40,740,824</u>	<u>43,527,549</u>
Business-Type Activities:				
Charges for Services:				
Desert Hawk Golf Course	709,910	681,026	727,633	748,573
Operating Grants and Contributions	4,794	5,498	18,236	30,667
Capital Grants and Contributions	12,308	-	6,685	2,500
Total Business-Type Activities Revenues	<u>727,012</u>	<u>686,524</u>	<u>752,554</u>	<u>781,740</u>
Total Primary Government Program Revenues	<u>\$ 40,079,801</u>	<u>\$ 40,806,556</u>	<u>\$ 41,493,378</u>	<u>\$ 44,309,289</u>
 Net (Expense)/Revenue				
Governmental Activities	\$ (45,094,799)	\$ (45,806,655)	\$ (48,825,781)	\$ (47,175,167)
Business-Type Activities	(573,335)	(582,045)	(435,757)	(507,035)
Total Primary Government Net Expense	<u>\$ (45,668,134)</u>	<u>\$ (46,388,700)</u>	<u>\$ (49,261,538)</u>	<u>\$ (47,682,202)</u>

	2007	2008	2009	2010	2011 Restated	2012
\$	25,333,614	\$ 28,126,020	\$ 28,866,745	\$ 28,205,255	\$ 31,381,568	\$ 28,467,540
	27,648,325	30,385,922	31,324,338	28,006,175	29,359,229	30,600,018
	12,008,616	12,081,644	12,263,344	12,983,768	14,171,522	14,467,477
	24,810,205	33,569,431	29,634,129	29,416,770	30,503,159	29,516,271
	1,837,992	2,273,878	2,072,045	1,687,257	1,747,827	1,548,146
	650,785	634,340	756,747	773,448	698,566	728,653
	2,948,402	2,747,877	3,366,798	3,061,414	3,502,509	3,179,606
	333,798	321,472	377,695	1,228,123	1,480,530	2,625,429
	682,092	683,416	587,585	1,111,000	2,693,937	5,090,440
	<u>96,253,829</u>	<u>110,824,000</u>	<u>109,249,426</u>	<u>106,473,210</u>	<u>115,538,847</u>	<u>116,223,580</u>
	1,307,871	1,413,530	1,446,301	1,447,152	1,353,414	1,321,806
\$	<u>97,561,700</u>	<u>\$ 112,237,530</u>	<u>\$ 110,695,727</u>	<u>\$ 107,920,362</u>	<u>\$ 116,892,261</u>	<u>\$ 117,545,386</u>
\$	4,537,147	\$ 4,876,877	\$ 4,902,303	\$ 7,342,098	\$ 5,238,974	\$ 5,356,488
	2,017,938	2,170,117	2,137,698	2,125,481	2,452,536	3,045,312
	910,032	658,452	739,437	271,379	284,628	5,276,297
	400,744	544,875	503,904	334,913	285,756	293,962
	69,738	97,076	82,094	82,711	86,389	93,051
	104,399	80,065	123,964	143,310	95,227	135,728
	251,768	233,059	392,479	493,497	188,575	129,641
	30,401,480	29,356,059	36,253,779	34,721,737	35,567,903	32,679,217
	13,859,486	17,695,337	7,938,900	2,749,486	2,207,862	3,253,938
	<u>52,552,732</u>	<u>55,711,917</u>	<u>53,074,558</u>	<u>48,264,612</u>	<u>46,407,850</u>	<u>50,263,634</u>
	717,443	765,894	800,910	822,717	782,491	799,969
	32,094	16,210	2,584	877	-	-
	-	12,853	42,688	6,470	-	22,397
	<u>749,537</u>	<u>794,957</u>	<u>846,182</u>	<u>830,064</u>	<u>782,491</u>	<u>822,366</u>
\$	<u>53,302,269</u>	<u>\$ 56,506,874</u>	<u>\$ 53,920,740</u>	<u>\$ 49,094,676</u>	<u>\$ 47,190,341</u>	<u>\$ 51,086,000</u>
\$	(43,701,097)	\$ (55,112,083)	\$ (56,174,868)	\$ (58,208,598)	\$ (69,130,997)	\$ (65,959,946)
	(558,334)	(618,573)	(600,119)	(617,088)	(570,923)	(499,440)
\$	<u>(44,259,431)</u>	<u>\$ (55,730,656)</u>	<u>\$ (56,774,987)</u>	<u>\$ (58,825,686)</u>	<u>\$ (69,701,920)</u>	<u>\$ (66,459,386)</u>

PUEBLO COUNTY, COLORADO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2003	2004	2005	2006
General Revenues				
Governmental Activities:				
Property Taxes	\$ 27,729,690	\$ 27,025,442	\$ 28,382,636	\$ 29,616,421
Sales and Miscellaneous Taxes	13,618,082	14,128,746	14,443,971	15,167,499
Specific Ownership Taxes	3,368,184	3,386,112	3,502,288	3,663,442
Investment Earnings	910,760	699,299	1,237,032	1,905,501
Miscellaneous	195,929	373,267	32,464	108,079
Transfers	-	-	-	(20,000)
Total Governmental Activities	\$ 45,822,645	\$ 45,612,866	\$ 47,598,391	\$ 50,440,942
Business-Type Activities:				
Investment Earnings	\$ -	\$ -	\$ -	-
Transfers	-	-	-	20,000
Total Business-Type Activities	-	-	-	20,000
Total Primary Government	\$ 45,822,645	\$ 45,612,866	\$ 47,598,391	\$ 50,460,942
Change in Net Position				
Governmental Activities	\$ 727,846	\$ (193,789)	\$ (1,227,390)	\$ 3,265,775
Business-Type Activities	(573,335)	(582,045)	(435,757)	(487,035)
Total Primary Government	\$ 154,511	\$ (775,834)	\$ (1,663,147)	\$ 2,778,740

2007	2008	2009	2010	2011 Restated	2012
\$ 34,693,901	\$ 38,379,259	\$ 38,503,465	\$ 41,988,462	\$ 42,894,699	\$ 43,321,344
16,236,549	15,818,534	15,377,132	17,589,236	15,043,437	15,686,740
4,117,058	4,205,114	4,038,074	3,625,786	3,601,583	3,643,827
1,994,338	980,491	170,931	271,898	319,990	499,830
22,223	12,766	139,347	424,967	334,432	794,123
(20,000)	(33,262)	(45,262)	(40,000)	(50,000)	(3,909,027)
<u>\$ 57,044,069</u>	<u>\$ 59,362,902</u>	<u>\$ 58,183,687</u>	<u>\$ 63,860,349</u>	<u>\$ 62,144,141</u>	<u>\$ 60,036,837</u>
\$ 32,087	\$ -	\$ -	\$ -	\$ 704	\$ 1,100
20,000	33,262	45,262	40,000	50,000	3,909,027
<u>52,087</u>	<u>33,262</u>	<u>45,262</u>	<u>40,000</u>	<u>50,704</u>	<u>3,910,127</u>
<u>\$ 57,096,156</u>	<u>\$ 59,396,164</u>	<u>\$ 58,228,949</u>	<u>\$ 63,900,349</u>	<u>\$ 62,194,845</u>	<u>\$ 63,946,964</u>
\$ 13,342,972	\$ 4,250,819	\$ 2,008,819	\$ 5,651,751	\$ (6,986,856)	\$ (5,923,109)
(506,247)	(585,311)	(554,857)	(577,088)	(520,219)	3,410,687
<u>\$ 12,836,725</u>	<u>\$ 3,665,508</u>	<u>\$ 1,453,962</u>	<u>\$ 5,074,663</u>	<u>\$ (7,507,075)</u>	<u>\$ (2,512,422)</u>

PUEBLO COUNTY, COLORADO
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
General Fund				
Reserved	\$ 1,875,178	\$ 1,435,715	\$ 1,701,523	\$ 2,160,516
Unreserved	18,008,662	19,122,503	12,956,698	12,424,027
Total General Fund	<u>\$ 19,883,840</u>	<u>\$ 20,558,218</u>	<u>\$ 14,658,221</u>	<u>\$ 14,584,543</u>
All Other Governmental Funds				
Reserved	\$ 5,770,592	\$ 6,393,233	\$ 11,143,254	\$ 8,054,008
Unreserved, Reported in:				
Special Revenue Funds	15,432,334	13,306,949	7,590,889	6,969,389
Capital Projects Funds	-	-	-	-
Total All Other Governmental Funds	<u>\$ 21,202,926</u>	<u>\$ 19,700,182</u>	<u>\$ 18,734,143</u>	<u>\$ 15,023,397</u>

General Fund
 Nonspendable
 Restricted
 Committed
 Assigned
 Unassigned
Total General Fund

All Other Governmental Funds
 Nonspendable
 Restricted
 Committed
 Assigned
Total All Other Governmental Funds

Notes:

(1) Prior years have not been restated to reflect changes in application of accounting principles as necessary information to restate prior years was not available.

(2) In 2011, the County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned compared to reserved and unreserved.

Fiscal Year					
2007	2008	2009	2010	2011 Restated	2012
\$ 2,413,816	\$ 3,005,471	\$ 3,249,306	\$ 7,280,747		
13,585,315	4,853,862	25,334,134	26,852,607		
<u>\$ 15,999,131</u>	<u>\$ 7,859,333</u>	<u>\$ 28,583,440</u>	<u>\$ 34,133,354</u>		

\$ 9,825,948	\$ 11,883,690	\$ 7,218,252	\$ 6,950,464		
5,054,811	4,863,803	5,067,321	7,222,212		
-	-	(744,953)	322		
<u>\$ 14,880,759</u>	<u>\$ 16,747,493</u>	<u>\$ 11,540,620</u>	<u>\$ 14,172,998</u>		

\$ 7,889,767	\$ 4,392,093
3,092,999	2,400,000
-	-
5,179,986	2,326,045
11,959,308	15,250,351
<u>\$ 28,122,060</u>	<u>\$ 24,368,489</u>

\$ 2,461,740	\$ 2,456,710
3,059,044	44,063,097
2,838,163	140,300
3,796,967	10,282,039
<u>\$ 12,155,914</u>	<u>\$ 56,942,146</u>

PUEBLO COUNTY, COLORADO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Revenues				
Taxes:				
Property Taxes, Net	\$ 27,729,690	\$ 27,025,442	\$ 28,382,635	\$ 29,616,421
Specific Ownership Taxes	3,368,184	3,386,112	3,502,288	3,663,443
Sales and Use Taxes	13,618,082	14,128,746	14,443,972	15,167,499
Fees and Fines	55,622	82,129	51,281	36,785
Licenses and Permits	137,104	139,089	130,889	140,799
Intergovernmental	27,594,287	28,666,776	28,355,693	30,377,912
Collect of Revolving Loans	29,297	-	-	-
State Highway Users Tax	3,561,823	3,725,522	3,432,603	4,404,789
Charges for Services	6,527,643	5,779,127	6,697,849	6,132,707
Investment Earnings	912,886	706,682	1,254,423	1,937,573
Contributions and Private Grants	570,295	726,266	620,456	370,367
Other Revenues	605,692	925,736	671,625	561,000
Total Revenues	84,710,605	85,291,627	87,543,714	92,409,295
Expenditures				
General Government	21,406,200	21,774,823	22,329,154	23,423,910
Public Safety	18,152,827	19,161,500	22,578,720	21,594,268
Highways and Streets	5,057,742	5,522,618	5,528,485	6,117,720
Health and Human Services	26,250,419	23,659,704	24,784,886	24,375,392
Culture and Recreation	622,885	708,719	634,822	544,053
Urban Development and Housing	2,181,476	2,131,025	2,093,965	2,001,422
Conservation	486,614	486,291	578,088	588,408
Economic Development Assistance	75,979	-	29,438	11,020
Intergovernmental	1,447,815	2,852,705	2,733,359	3,135,689
Debt Service:				
Principal	495,000	520,000	738,555	1,104,215
Interest and Other Charges	698,539	675,769	458,546	601,753
Debt Issuance and Insurance Costs	-	-	153,912	-
Capital Outlay	7,190,076	8,626,839	11,954,883	16,855,737
Total Expenditures	84,065,572	86,119,993	94,596,813	100,353,587
Excess (Deficiency) of Revenue Over (Under) Expenditures	645,033	(828,366)	(7,053,099)	(7,944,292)
Other Financing Sources (Uses)				
Issuance from Capital Lease	-	-	33,151	119,868
Proceeds from Certificates of Participation	-	-	-	-
Proceeds from Bonds Issued	-	-	9,645,000	4,060,000
Premium from Bonds Issued	-	-	224,587	-
Premium from COPs Issued	-	-	-	-
Discount from COPs Issued	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	(9,715,675)	-
Transfers In	302,488	477,658	7,999,587	2,353,335
Transfers Out	(302,488)	(477,658)	(7,999,587)	(2,373,335)
Total Other Financing Sources (Uses)	-	-	187,063	4,159,868
Net Changes in Fund Balances	\$ 645,033	\$ (828,366)	\$ (6,866,036)	\$ (3,784,424)
Debt Service as a Percentage of Noncapital Expenditures	1.55 %	1.54 %	1.63 %	2.03 %

Notes- Prior years have been restated to reflect changes in application of accounting principles. Debt service % of noncapital expenditures for 2009 forward are calculated using the cost of assets capitalized as noted on page 22 of this report.

		Fiscal Year					
		2007	2008	2009	2010	2011 Restated	2012
\$	34,693,901	\$ 38,379,266	\$ 38,503,465	\$ 41,988,462	\$ 42,894,699	\$ 43,321,346	
	4,117,058	4,205,114	4,038,074	3,625,786	3,601,583	3,643,827	
	16,236,549	15,818,534	15,377,132	17,589,236	15,043,437	15,686,739	
	33,406	36,967	36,847	24,756	41,421	42,661	
	136,343	172,312	182,545	170,765	174,488	249,950	
	37,343,640	42,799,885	39,343,083	31,903,068	31,899,234	30,307,089	
	-	-	-	-	-	-	
	3,944,552	3,754,591	4,258,482	4,504,950	4,540,767	4,554,965	
	8,926,190	7,342,115	7,573,454	6,689,953	7,209,946	12,829,102	
	2,029,895	1,002,144	175,961	271,898	319,990	224,049	
	536,556	621,837	587,586	663,503	751,753	388,519	
	490,816	500,810	744,892	3,350,140	1,053,022	1,612,209	
	<u>108,488,906</u>	<u>114,633,575</u>	<u>110,821,521</u>	<u>110,782,517</u>	<u>107,530,340</u>	<u>112,860,456</u>	
	25,276,861	26,635,609	27,612,550	26,317,193	30,060,394	27,546,254	
	24,548,467	23,582,999	26,531,567	23,623,411	25,072,526	25,970,555	
	6,178,943	7,702,294	7,665,246	6,782,217	7,156,834	7,191,094	
	24,165,732	32,098,771	27,007,626	26,476,356	26,856,745	28,005,206	
	1,064,231	1,235,612	725,993	689,501	1,213,862	787,893	
	2,528,092	2,349,052	3,004,412	3,996,932	4,748,937	2,928,674	
	631,810	612,594	621,776	647,661	658,969	670,167	
	128,465	104,270	120,282	968,065	1,264,510	2,409,429	
	2,841,381	3,099,330	4,828,137	3,367,813	2,994,171	2,388,570	
	1,611,861	1,728,041	1,564,538	2,702,766	2,539,165	2,027,050	
	655,767	959,702	1,848,574	2,175,909	2,614,695	3,789,644	
	-	-	-	-	-	1,441,272	
	19,027,887	32,180,103	20,047,288	4,812,401	12,201,925	22,163,159	
	<u>108,659,497</u>	<u>132,288,377</u>	<u>121,577,989</u>	<u>102,560,225</u>	<u>117,382,733</u>	<u>127,318,967</u>	
	<u>(170,591)</u>	<u>(17,654,802)</u>	<u>(10,756,468)</u>	<u>8,222,292</u>	<u>(9,852,393)</u>	<u>(14,458,511)</u>	
	1,272,400	-	-	-	1,874,015	-	
	-	11,415,000	26,600,000	-	-	55,000,000	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	4,400,198	
	-	-	(400,756)	-	-	-	
	-	-	-	-	-	-	
	3,932,370	13,231,367	6,420,417	2,571,222	12,335,090	3,283,508	
	<u>(3,952,370)</u>	<u>(13,264,629)</u>	<u>(6,465,678)</u>	<u>(2,611,222)</u>	<u>(12,385,090)</u>	<u>(7,192,534)</u>	
	<u>1,252,400</u>	<u>11,381,738</u>	<u>26,153,983</u>	<u>(40,000)</u>	<u>1,824,015</u>	<u>55,491,172</u>	
\$	<u>1,081,809</u>	<u>\$ (6,273,064)</u>	<u>\$ 15,397,515</u>	<u>\$ 8,182,292</u>	<u>\$ (8,028,378)</u>	<u>\$ 41,032,661</u>	
	2.53 %	2.68 %	3.33 %	5.04 %	4.94 %	6.95 %	

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**PUEBLO COUNTY, COLORADO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	27,818,127	27,633,008	99.33%	179,101	27,812,109	99.98%
2004	27,107,227	26,912,867	99.28%	134,090	27,046,957	99.78%
2005	28,301,480	28,036,208	99.06%	36,116	28,072,324	99.19%
2006	29,586,757	29,533,063	99.82%	43,513	29,576,576	99.97%
2007	34,603,767	34,554,867	99.86%	(209,771)	34,345,096	99.25%
2008	38,386,382	38,301,325	99.78%	72,415	38,373,740	99.97%
2009	38,935,035	38,375,174	98.56%	435,278	38,810,452	99.68%
2010	41,538,357	41,293,332	99.41%	82,607	41,375,939	99.61%
2011	42,858,211	42,737,389	99.72%	63,585	42,800,974	99.87%
2012	45,903,474	45,712,521	99.58%	-	45,712,521	99.58%

Source: Pueblo County Assessor and Office of Budget and Finance

PUEBLO COUNTY, COLORADO
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)

	Year Taxes are Payable			
	2003	2004	2005	2006
County Direct Rates				
General	26.999	26.999	26.999	26.060
Library	1.072	1.262	1.247	1.094
Animal Shelter	-	-	0.943	0.866
Refunds/ Abatements-General Fund	-	-	-	-
Total Direct Rate	28.071	28.261	29.189	28.020
City and Towns Rates				
Boone	17.826	17.773	17.880	16.252
Pueblo	15.084	15.633	15.663	15.441
Rye	6.814	7.827	5.904	6.120
School Districts				
Edison 54J	36.213	36.195	36.629	36.837
Fowler R4J	41.388	41.091	40.979	40.410
Pueblo 60	44.073	44.903	45.349	42.515
Pueblo 70	52.988	55.526	56.009	49.859
Improvement & Service Districts				
Avondale Water & Sanitation	10.641	10.641	10.641	10.641
Bandera Blvd. Special Improvement	-	-	5.000	5.000
Beulah Ambulance District	-	-	-	-
Colorado City Cemetery	1.240	1.240	1.235	1.147
Colorado City Metro	17.393	17.072	17.258	16.745
Edison Fire Protection District	-	-	-	-
Fowler Rural Fire	4.360	4.553	4.796	4.630
Lower Arkansas Valley Water Conservancy	1.500	1.502	1.502	1.446
Midway Ranches Fire Protection District	-	-	-	-
Pine Drive Water	14.307	15.517	15.735	13.708
Pueblo Regional Library	5.250	5.250	5.250	5.250
Pueblo Rural Fire	24.268	24.268	24.268	24.268
Pueblo West Metro	17.748	19.254	19.666	18.934
Rye Fire	10.036	10.036	10.036	10.036
South Point Special Improvement	5.000	5.000	5.000	5.000
South Eastern Water Conservancy	0.897	0.947	0.947	0.943
St. Charles Mesa Sanitation	3.800	4.250	4.250	4.024
West Park Fire	4.974	4.974	4.974	5.433
Thunder Village Metropolitan Dist	-	-	-	-

Source: Pueblo County Abstract of Assessment

Year Taxes are Payable

2007	2008	2009	2010	2011	2012
29.999	29.999	29.999	29.999	29.999	29.999
1.073	0.954	0.927	0.867	0.840	0.767
0.835	0.755	0.269	0.252	(0.140)	-
-	-	-	-	0.978	0.106
31.907	31.708	31.195	31.118	31.677	30.872
17.880	9.670	10.620	12.058	14.466	15.621
15.633	15.633	15.633	15.633	15.633	15.633
5.609	5.488	5.900	6.771	6.888	6.972
36.357	38.814	38.801	37.525	36.207	36.104
39.896	38.183	38.018	37.511	37.389	32.263
42.587	39.152	37.966	36.629	38.811	34.324
48.831	41.873	40.804	40.804	39.297	39.297
10.641	10.641	10.641	10.641	10.641	10.641
5.000	5.000	5.000	5.000	5.000	3.000
-	7.000	7.000	7.000	7.000	7.000
1.147	1.071	1.071	1.071	1.071	1.071
17.967	16.646	17.967	17.967	17.967	17.967
-	9.000	9.000	9.000	9.000	9.000
4.635	4.546	4.462	4.109	4.057	3.900
1.502	1.502	1.503	1.502	1.502	1.502
-	-	-	-	1.650	18.760
13.812	14.776	14.582	14.391	14.352	15.115
5.250	5.250	5.261	5.302	5.413	5.268
24.268	24.268	24.268	24.268	24.268	24.268
20.193	20.193	20.193	20.193	20.193	20.193
10.036	10.036	10.036	10.036	10.036	10.036
5.000	5.000	5.000	5.000	5.000	5.000
0.941	0.915	0.943	0.940	0.947	0.947
4.250	4.064	4.250	4.090	4.250	4.250
5.346	5.433	5.433	5.433	5.433	5.433
-	-	-	-	5.000	5.000

PUEBLO COUNTY, COLORADO

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
(in thousands of dollars)

Fiscal Year Ended December 31,	Vacant Unimproved Land	Residential Property	Natural Resources	Commercial Property	Industrial Property	Agricultural Property	Public Utilities
2003	56,092	471,691	1,606	220,031	105,846	11,235	127,104
2004	56,116	449,451	1,936	219,004	100,405	10,395	124,164
2005	53,932	466,545	1,675	220,102	101,088	10,465	117,679
2006	60,760	521,390	1,662	239,482	104,997	10,614	120,018
2007	58,304	542,161	1,674	247,349	108,087	10,731	118,276
2008	78,048	611,510	2,420	271,278	117,003	10,457	125,655
2009	77,017	626,504	2,800	284,856	128,941	10,563	129,353
2010	75,588	626,002	2,959	298,026	185,283	10,332	152,191
2011	75,008	631,212	3,051	300,396	218,743	10,316	160,096
2012	63,728	592,631	2,690	301,583	242,564	11,635	343,291

Sources: Pueblo Abstract of Assessment.

Notes: Property in Pueblo County is reassessed once every two years. The County assessed residential property at a constant rate from 2003 to 2012 at 7.96% of actual value. All other property was assessed at 29% of actual value. Actual taxable value is obtained from the prior year Abstract of Assessment for the fiscal year for which levied. Tax rates are per \$1,000 of assessed value.

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Exempt Property Assessed Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
993,605	28.07	6,953,491	76,609	14.289%
961,471	28.26	7,410,202	81,617	12.975%
971,486	29.19	7,600,404	80,925	12.782%
1,058,923	28.02	8,401,841	88,997	12.603%
1,086,582	31.91	8,671,580	116,798	12.530%
1,216,371	31.71	9,766,507	123,006	12.455%
1,260,034	31.20	10,054,376	124,404	12.532%
1,350,381	31.12	10,376,477	129,829	13.014%
1,398,822	31.68	10,592,404	147,445	13.206%
1,559,121	30.87	10,777,971	152,654	14.466%

**PUEBLO COUNTY, COLORADO
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	<u>2012</u>		Percentage of Total County Taxable Assessed Value	<u>2003</u>		Percentage of Total County Taxable Assessed Value
	Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
Public Service Company of Colorado	202,708,594	1	13.00%	60,239,130	1	6.27%
GCC Rio Grande, Pueblo Plant	76,085,331	2	4.88%			
Black Hills Colorado IPP, LLC	73,173,523	3	4.69%			
Intermountain Rural Electric	51,608,300	4	3.31%			
Vestas Towers America	46,673,719	5	2.99%			
Black Hills Corp. (Aquila)	40,710,983	6	2.61%	11,856,890	4	1.23%
Century Link (Qwest Corp.)	19,166,000	7	1.23%	19,702,200	3	2.05%
EVRAZ (Rocky Mountain Steel Mills)	15,521,845	8	1.00%	24,760,320	2	2.58
Holy Cross Electric Association	13,429,300	9	0.86%			
The BNSF Railway Company	13,281,999	10	0.85%	5,986,020	7	0.62%
Ashland Inc				3,868,520	10	0.40%
Dayton Hudson Company				5,990,160	6	0.62%
BF Goodrich Aerospace				5,576,650	8	0.58%
Union Pacific Railroad				7,702,000	5	0.80%
Trane Company in Pueblo				5,026,180	9	0.52%
Total	<u>552,359,594</u>		<u>35.42%</u>	<u>150,708,070</u>		<u>15.67%</u>

Source: County Assessor's Office

PUEBLO COUNTY, COLORADO
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

General Bonded Debt Outstanding							Percentage of Actual Taxable Value of Property (a)	Per Capita (b)
Fiscal Year Ended December 31,	General Obligation Library Bonds	Limited Tax General Obligation Bonds	Total	Less Debt Service Fund	Net			
2003	12,455,000	-	12,455,000	-	12,455,000	0.18 %	84	
2004	11,935,000	-	11,935,000	10,215	11,924,785	0.16 %	80	
2005	11,915,000	-	11,915,000	957,500	10,957,500	0.14 %	73	
2006	11,280,000	3,626,371	14,906,371	1,528,229	13,378,142	0.16 %	87	
2007	10,605,000	2,859,500	13,464,500	1,668,467	11,796,033	0.14 %	76	
2008	9,905,000	2,061,911	11,966,911	1,746,155	10,220,756	0.10 %	65	
2009	9,170,000	1,232,373	10,402,373	1,184,675	9,217,698	0.09 %	58	
2010	8,410,000	369,607	8,779,607	666,170	8,113,437	0.08 %	51	
2011	7,620,000	-	7,620,000	105,402	7,514,598	0.07 %	47	
2012	6,795,000	-	6,795,000	103,376	6,691,624	0.06 %	41	

Note: For details on the County's outstanding debt, see the notes to the financial statements starting on page 57.

(a) See page 138 for property value data.

(b) Population data can be found on page 147.

**PUEBLO COUNTY, COLORADO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31,	Governmental Activities			Business-Type Activities	
	General Obligation Bonds	Certificates of Participation	Capital Leases	Certificates of Participation (a)	Capital Leases
2003	12,455,000	-	-	7,185,000	-
2004	11,935,000	-	-	7,015,000	-
2005	11,915,000	-	29,596	7,685,000 (b)	205,547
2006	14,906,371 (c)	-	113,878	7,420,000	163,809
2007	13,464,500	-	1,147,738	7,145,000	255,631
2008	11,966,911	11,415,000 (d)	863,065	6,855,000	186,508
2009	10,402,373	38,015,000 (e-f)	598,655	6,545,000	113,689
2010	8,779,607	36,935,000	311,606	6,220,000	173,281
2011	7,620,000	35,820,000	1,921,064	5,885,000	118,503
2012	6,795,000	89,665,000 (h)	1,874,015	5,535,000	58,887

(a) Certificates of participation were issued for acquisition and improvements to Desert Hawk Golf Course at Pueblo West. See notes to basic financial statements for further information.

(b) Certificates of participation, see (a) above, were refunded.

(c) Bonds of \$4,060,000 were issued for construction of a new building for the Pueblo Animal Shelter.

(d) Certificates of participation of \$11,415,000 were issued to fund construction of a new building for the Pueblo City-County Health Department.

(e) Series 2009-A Certificates of Participation, Build America Bonds, of \$23,600,000 were issued to fund property acquisition, demolition of an asbestos-polluted ice-house building and related land remediation of the construction site for the new Judicial Complex building along with various other infrastructure projects.

(f) Series 2009-B Certificates of Participation of \$3,000,000 were issued to fund building design and site preparation for the new Judicial Complex building.

(g) See page 147 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(h) Series 2012 Certificates of Participation of \$55,000,000 were issued to fund construction of a new building for the Judicial Complex.

Other Government Land Purchase Option	Other Government Advance on Water Payments	Other Government Non- Interest Loan	Total Primary Government	Percentage of Personal Income (g)	Debt per Capita (g)
1,180,000	393,632	579,731	21,793,363	0.62 %	148
757,000	490,436	824,231	21,021,667	0.58 %	141
757,000	598,029	1,091,448	22,281,620	0.78 %	149
757,000	704,878	1,333,895	25,399,831	0.66 %	168
457,000	812,483	1,570,538	24,852,890	0.62 %	162
457,000	957,979	1,814,582	34,516,045	1.03 %	223
457,000	1,109,381	2,054,111	59,295,209	1.74 %	378
457,000	1,279,813	2,314,661	56,470,968	1.66 %	356
457,000	1,279,813	2,632,273	55,733,653	1.66 %	350
457,000	1,279,813	2,950,055	108,614,770	3.43 %	676

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PUEBLO COUNTY, COLORADO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2012

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
City of Pueblo	\$ 56,636,680	100.000 %	\$ 56,636,680
School District # 60	67,765,000	100.000 %	67,765,000
School District # 70	59,502,354	100.000 %	59,502,354
Pine Drive Water District	421,341	100.000 %	421,341
Colorado City Metro District	4,002,010	100.000 %	4,002,010
Town of Boone	719,956	100.000 %	719,956
Town of Rye	494,019	100.000 %	494,019
Edison School District 54JT	395,000	100.000 %	395,000
Fowler R4J	1,175,000	100.000 %	1,175,000
Avondale Water & Sanitation	15,107	100.000 %	15,107
Pueblo City-County Library District	11,410,000	100.000 %	11,410,000
Pueblo West Metro District	11,667,989	100.000 %	11,667,989
Rye Protection District	295,000	100.000 %	295,000
Southeastern Colorado Water Conservancy District	45,427,251	100.000 %	45,427,251
Thunder Village Special District	6,963,504	100.000 %	6,963,504
Subtotal, Overlapping Debt	<u>266,890,211</u>	100.000 %	<u>\$ 266,890,211</u>
County Direct Debt	98,334,015		
Total Direct and Overlapping Debt	<u>\$ 365,224,226</u>		

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the County's boundaries. All governmental units are located within the geographic boundaries of the County.

PUEBLO COUNTY, COLORADO
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(dollars in thousands)

	Fiscal Year			
	2003	2004	2005	2006
Debt limit	\$ 222,306	\$ 228,013	\$ 252,055	\$ 260,147
Total Debt Applicable to Limit	-	-	-	3,626
Legal Debt Margin	\$ 222,306	\$ 228,013	\$ 252,055	\$ 256,521
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00 %	0.00 %	0.00 %	0.00 %

**Legal Debt Margin Calculation
for Fiscal Year 2012:**

Actual Value (a)	11,191,118
Debt Limit (3% of Actual Value)	335,734
Debt Applicable to Limit - General Obligation Bonds	-
Legal Debt Margin	335,734

The constitutional debt limitation applies to all general obligation bonds authorized. Additional general obligation bonds may be authorized to be issued if so approved by a majority of those voting in an election held for that purpose. Pueblo County has no general obligation bonds authorized but unissued.

(a) Source: 2012 County Abstract of Assessment

Note: From 2003 through 2012, the margin was 3% of actual value. General Obligation Library Bonds are excluded by state statute from legal debt margin requirements.

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 292,995	\$ 301,631	\$ 311,294	\$ 317,772	\$ 323,339	\$ 335,734
2,859	2,062	1,232	370	-	-
<u>\$ 290,136</u>	<u>\$ 299,569</u>	<u>\$ 310,062</u>	<u>\$ 317,402</u>	<u>\$ 323,339</u>	<u>\$ 335,734</u>
0.98 %	0.68 %	0.40 %	0.12 %	0.00 %	0.00 %

**PUEBLO COUNTY, COLORADO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Education Level Percent of High School Graduates</u>	<u>School Enrollment</u>
2003	148,707	3,628,870	24,402	36.3	82.9%	26,158
2004	149,728	2,862,688	25,798	36.1	83.7%	26,284
2005	151,104	3,870,097	25,612	36.0	84.5%	26,826
2006	153,243	4,009,351	26,363	36.8	85.3%	27,232
2007	154,712	3,350,443	21,656	36.4	86.1%	27,559
2008	156,781	3,402,618	21,703	36.3	86.9%	27,749
2009	158,804	3,393,959	21,372	37.8	87.8%	27,659
2010	159,106	3,348,227	21,044	38.0	77.7%	27,256
2011	160,630	3,163,608	19,695	39.0	72.4%	26,848
2012	161,422	3,467,667	21,482	38.6	70.5%	26,865

Sources: Population, personal income, per capital income, and median age information provided by Colorado Division of Local Affairs, Demography Section. High school graduates percentage and enrollment data provided by annual census of schools. Unemployment data provided by the Colorado Department of Labor and Employment. Construction information provided by the Pueblo Regional Building Department.

Commercial Construction Residential Construction

Unemployment Rate	No. Of Units	Estimated Costs (thousands of dollars)	No. Of Units	Estimated Costs (thousands of dollars)
7.5%	72	24,705	1,191	129,445
7.5%	69	24,296	1,111	129,488
6.8%	63	35,085	1,116	181,576
5.0%	95	91,945	1,223	194,287
5.5%	98	56,915	664	112,955
7.5%	64	169,825	400	66,188
8.4%	45	33,041	208	41,949
8.9%	82	38,058	216	39,615
10.2%	43	14,384	117	20,893
10.6%	180	34,808	56	70,137

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**PUEBLO COUNTY, COLORADO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Employer</u>	<u>Employees</u>	<u>2012 Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>2003 Rank</u>	<u>Percentage of Total County Employment</u>
Parkview Hospital	2,471	1	3.87 %	1,538	2	2.40 %
Pueblo City Schools (School District 60)	1,850	2	2.90 %	2,400	1	3.74 %
EVRAZ (Rocky Mountain Steel)	1,169	3	1.83 %	780	8	1.22 %
St. Mary Corwin Hospital	1,165	4	1.82 %	1,228	3	1.91 %
Pueblo County Government	1,100	5	1.72 %	1,020	5	1.59 %
Colorado Mental Health Institute	1,000	6	1.57 %	1,041	4	1.62 %
Wal-Mart Stores	1,000	7	1.57 %	755	9	1.18 %
School District 70	997	8	1.56 %	820	7	1.28 %
City of Pueblo	720	9	1.13 %	710	10	1.11 %
Convergys	685	10	1.07 %	1,000	6	1.55 %
Trane	<u> </u>			<u>1,000</u>	<u>6</u>	<u>1.55 %</u>
Total	<u><u>12,157</u></u>		<u><u>19.04 %</u></u>	<u><u>12,292</u></u>		<u><u>19.15 %</u></u>

Source: Pueblo Economic Development Corporation

**PUEBLO COUNTY, COLORADO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year				
	2003	2004	2005	2006	2007
Sheriff's Office					
Calls for Service:					
Law Enforcement	20,288	20,886	22,503	21,981	24,886
Fire	817	1,039	1,266	1,290	1,142
Medical Emergency	2,055	2,186	2,357	2,569	2,665
Physical Arrests	3,137	2,821	3,097	2,991	2,985
Traffic Violations	3,489	3,025	3,350	2,957	2,929
Detention					
Jail Population, Daily-Average	466	556	589	596	559
Public Works					
Customer Service Requests	243	204	172	185	204
Crushed Gravel (Tons)	100,000	95,000	100,000	75,000	103,048
Roads Chip Sealed (Miles)	27	23	18	32	21
Roads Dust Treated (Miles)	126	-	108	91	97
Roads Striped (Miles)	105	110	105	111	107
Recreation					
Golf Course 18-Hole Rounds	24,865	23,859	23,476	23,910	22,132
Golf Annual-Pass Holders	151	149	162	163	158

Source: County departments

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

Fiscal Year				
2008	2009	2010	2011	2012
25,583	22,349	26,285	27,656	27,834
1,208	1,279	1,242	1,356	1,598
3,289	2,891	3,113	3,388	3,502
2,999	3,023	2,829	2,804	2,840
3,325	3,047	2,413	2,712	2,412
529	546	558	601	613
177	207	238	194	215
104,018	110,000	67,000	95,134	76,094
33	35	15	16	14
97	106	178	106	108
108	113	113	105	105
23,371	23,663	22,986	22,732	24,387
187	164	182	189	192

**PUEBLO COUNTY, COLORADO
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year				
	2003	2004	2005	2006	2007
Law Enforcement					
Stations	2	2	2	2	2
Zone Offices	3	3	3	3	3
Patrol Units	43	43	45	52	55
Public Works					
Paved Roads Maintained (Miles)	468	470	471	476	483
Gravel Roads Maintained (Miles)	742	740	739	735	728
Parks and Recreation					
Acreage	151	151	151	151	151
Baseball Fields	7	7	7	7	7
Playgrounds	5	5	5	5	5
Community Centers	2	2	2	2	2
Art Center	1	1	1	1	1
Children's Museum	1	1	1	1	1

Fiscal Year				
2008	2009	2010	2011	2012
2	2	2	2	2
3	3	3	3	3
49	50	66	68	67
491	571	571	571	571
720	640	640	640	640
151	151	151	151	151
7	7	7	7	7
5	5	5	5	5
2	2	2	2	2
1	1	1	1	1
1	1	1	1	1

PUEBLO COUNTY, COLORADO
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of December 31				
	2003	2004	2005	2006	2007
General Government					
County Commissioners	8	8	6	7	8
Other Administration	4	4	-	-	-
County Attorney	6	6	8	8	8
County Surveyor	1	1	1	1	1
County Clerk/recorder	33	34	35	34	34
Election	7	6	7	6	7
Treasurer	16	17	17	17	17
Assessor	35	33	32	32	30
District Attorney	61	55	61	62	65
Office of Budget	6	6	8	8	9
Purchasing	2	3	3	3	4
Human Resources	6	6	8	8	5
Planning and Development	11	11	10	11	12
Information and Computer Services	21	22	24	26	28
Fleet & Equipment Management	4	4	4	4	4
Facilities	55	54	56	56	56
GIS/I and CS	4	4	4	4	4
Retirement	1	1	1	1	1
Total General Government	281	275	285	288	293
Public Safety					
Law Enforcement	93	97	96	95	98
Detention	146	143	146	170	183
Dispatch	14	16	15	16	15
Emergency Management	11	12	12	10	10
Coroner	1	1	1	1	4
Community Corrections Administration	-	-	-	-	-
Total Public Safety	265	269	270	292	310
Highways and Streets					
Road and Bridge	85	85	85	79	81
Health and Welfare					
Housing Welfare	31	32	28	33	33
Social Services	279	278	284	289	284
Aging Services	3	3	3	3	3
Veterans Services	2	3	2	3	3
Total Health and Welfare	315	316	317	328	323
Culture and Recreation					
Parks	4	4	4	4	4
Conservation					
CSU Extension	5	5	5	5	5
Economic Development Administration	-	-	-	1	1
Total	955	954	966	997	1,017

Source: County Payroll Department

Full-time Equivalent Employees as of December 31

2008	2009	2010	2011	2012
8	8	8	8	8
-	-	-	-	-
9	9	9	9	9
1	1	1	1	1
36	35	33	33	35
7	7	7	8	7
17	15	15	15	12
32	29	29	29	28
64	63	61	61	62
9	9	8	7	7
3	3	3	3	3
5	6	6	6	6
10	10	9	10	9
27	29	29	28	28
4	4	4	4	4
55	58	56	51	58
4	5	5	4	5
1	1	1	1	1
<u>292</u>	<u>292</u>	<u>284</u>	<u>278</u>	<u>283</u>
101	103	103	113	113
181	181	181	176	180
17	17	18	18	19
11	11	11	12	12
4	4	4	4	4
-	-	-	-	2
<u>314</u>	<u>316</u>	<u>317</u>	<u>323</u>	<u>330</u>
82	81	78	74	80
31	33	45	40	28
299	302	302	319	320
3	3	3	3	3
3	3	3	3	3
<u>336</u>	<u>341</u>	<u>353</u>	<u>365</u>	<u>354</u>
4	4	4	4	4
5	5	5	5	5
1	1	1	-	-
<u>1,034</u>	<u>1,040</u>	<u>1,042</u>	<u>1,049</u>	<u>1,056</u>

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GOVERNMENT AUDITING STANDARDS
AND
OMB CIRCULAR A-133 REPORTS

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PUEBLO COUNTY, COLORADO
GOVERNMENT AUDITING STANDARDS AND OMB CIRCULAR A-133 REPORTS
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**PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012**

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 2012-1: Internal Control Over Grant Accounting

Criteria or specific requirement: The County receives multiple federal and state grant awards. The County has established procedures to monitor these awards at the department level. The procedures also include a periodic review by the grants monitoring specialist in the County's Budget and Finance Office. Beginning in 2010, the State of Colorado changed its method of payment on the community corrections grant from a reimbursement basis to an estimated advanced payment method. Procedures within the County were not adjusted to properly account for this new payment method. As a result, grant revenue was not properly recognized.

Certain payables under this program were not properly accrued. As a result, expenditures along with related grant revenue were understated.

Context/Effect/Cause: We noted the following misstatements of the County's basic fund statements related to the County's grant accounting and revenue recognition issues under generally accepted accounting principles:

- ❖ \$729,804 in revenue that had been earned for a community corrections grant was not recognized. This adjustment related to \$453,839 in additional grants receivable as well as a prior period adjustment to deferred revenue of \$275,965 that had not been reflected in 2011.
- ❖ \$214,312 in community corrections expenditures were incurred and not recognized.

Recommendation: We recommend the County implement a training program at the department level that will ensure that employees have proper training related to grant accounting. The grants monitoring specialist within Budget and Finance should review year-end entries made by the departments related to grant accounting for accuracy. Additional testing should be performed by Budget and Finance personnel on year-end payable accruals made at the department level to ensure accuracy.

Views of responsible officials and planned corrective actions: We agree with the above finding and will assess our grant accounting and monitoring procedures to include review for proper expenditure and revenue recognition.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings or questioned costs for federal awards were noted.

**PUEBLO COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2012**

Finding 2011-1:

Federal Agency: U.S. Department of Health and Human Services
CFDA #: 93.563 – Title IV-D, Child Support Enforcement
Pass-through entity: Colorado Department of Human Services

Criteria or specific requirement: The IV-D agency must attempt to establish paternity and a support obligation for children born out of wedlock. The agency must establish a support obligation when paternity is not an issue. These services must be provided for any child in cases referred to the IV-D agency or to individuals applying for services under 45 CFR section 302.33 or 45 CFR section 309.65(a)(2) for whom paternity or a support obligation had not been established (45 CFR sections 303.4 and 303.5, 45 CFR sections 309.100 and 309.105).

Condition: Based upon our review of documentation provided to us and inquiries of County personnel, it was determined that the County initiated a tracking and follow-up system in June 2011 but prior to this implementation, the County did not maintain a system sufficient to insure and document compliance with the special test of providing paternity and support obligation services for referred cases. Specifically, we found the County failed to track and properly follow-up on five referrals of the sixty files selected for testing. Three of the referrals were not initiated within the prescribed time frame. The referral date on these three individuals was prior to the initiation of the tracking and follow-up system initiated in June 2011. Two of the referrals, received after June 2011, did not provide a notice of non-cooperation on a timely basis.

Questioned costs: We were unable to determine an amount of questioned costs for benefits received by these nine individuals during 2011 since the benefits they received were paid from the Child Care Cluster (Child Care) and Temporary Assistance to Needy Families (TANF) programs.

Effect: The County is unable to support compliance with the special test of providing paternity and support obligation services for referred cases identified above for five individuals which were referred during 2011.

Cause: The County did not follow established procedures for tracking case referrals due to inadequate staffing, inadequate staff training, and manual processing requirements for tracking case referrals.

Recommendation: We recommended the County develop and train staff on procedures that will ensure that the tracking of case referrals is completed as they are received from Child Care and TANF departments and a notice of non-cooperation is sent on a timely basis.

Views of responsible officials and planned corrective actions: A tracking and follow-up was initiated in June 2011 and the three exception cases noted above were prior to that implementation. The Pueblo County Department of Social Services Data Processing Division is currently developing a program for the Child Support Division to track not only TANF referrals and Child Care referrals, but all non-public assistance applications coming to the Child Support Enforcement Division.

Current Status: This specific requirement is no longer required to be tested based on the OMB Circular A-133 June 2012 Compliance Supplement. The finding does not warrant further action.

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

Board of County Commissioners
Pueblo County, Colorado

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pueblo County, Colorado (the County) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 13, 2013.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting (internal control) to determine the auditing 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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency 2012-1 described in the accompanying schedule of findings and questioned costs to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County 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*.

County of Pueblo, Colorado's Response to Findings

The County of Pueblo, Colorado's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wm Peterson, Arnyfogel, David & Goodrich, PC

September 13, 2013

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**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

Board of County Commissioners
Pueblo County, Colorado
Pueblo, Colorado

Report on Compliance for Each Major Federal Program

We have audited Pueblo County, Colorado's (the County) 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 County's major federal programs for the year ended December 31, 2012. The County's major federal programs are identified in the summary of auditor's 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 County'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, *Audits 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 County'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 on the County's compliance.

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Opinion on Each Major Federal Program

In our opinion, the County 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, 2012.

Report on Internal Control Over Compliance

Management of the County 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 County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our 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 County'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.

McCabe Peterson, Brayfogel, Davidson & Goodrich, PC

September 13, 2013

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PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2012

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	PASS-THROUGH <u>ENTITY'S IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through Colorado Department of Human Services -			
Supplemental Nutrition Assistance Program Cluster -			
State Administrative Matching Grants for			
Supplemental Nutrition Assistance Program	10.561	Not Available	1,656,821
Supplemental Nutrition Assistance Enhanced Workfare	10.561	Not Available	41,193
Commodity Supplemental Food Program (Admin)	10.565	Not Available	111,710
Commodity Supplemental Food Program (Commodities)	10.565	Not Available	340,531
Emergency Food Assistance Program Cluster -			
Emergency Food Assistance Program (Administrative Costs)	10.568	Not Available	12,239
Emergency Food Assistance Program (Food Commodities)	10.569	Not Available	354,464
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>2,516,958</u>
 <u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Passed through Colorado Department of Local Affairs -			
Emergency Shelter Grants Program	14.231	H1ESG10932 & H2ESG11932	42,500
Passed through City of Pueblo, Colorado -			
Community Development Block Grant	14.218	ERESP & HUD HOME REHAB	126,699
Home Investment Partnership Program	14.239	Not Available	12,767
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>181,966</u>
 <u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Assistance -			
State Criminal Alien Assistance Program	16.606	-	48,392
Passed through Colorado Department of Public Safety			
Division of Criminal Justice -			
Juvenile Accountability Incentive Block Grant	16.523	10-JB-L-10-05; 11-JB-L-11-05; 10-JB-S-10-423 & 11-JB-L-10-423	23,768
Supervised Visitation, Safe Havens for Children	16.527	2009-CW-AX-K001	78,383
Crime Victim Assistance	16.575	11-VA-10-49 & 11-VA-10-50	101,203
Violence Against Women Formula Grants	16.588	10-VW-10-37	47,802
Community Prosecution and Project Safe Neighborhoods	16.609	10-CP-04-9-4 & 11-CP-04-9-4	16,845

PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
YEAR ENDED DECEMBER 31, 2012

<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 JUSTICE (Cont'd)</u>			
Edward Byrne Memorial Justice Assistance Grant Cluster -			
Passed through City of Pueblo, Colorado -			
Edward Byrne Memorial Justice Assistance Grant	16.738	2012-DJ-BX-0565	36,861
Passed through Colorado Division of Criminal Justice			
Edward Byrne Memorial Justice Assistance Grant-ARRA	16.803	29-JR-01-79-1	65,735
Passed through City of Colorado Springs, Colorado -			
Internet Crimes Against Children	16.541	2009-MC-CX-K011	5,443
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>424,432</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Passed through Colorado Department of Transportation -			
Highway Planning and Construction	20.205	SHE C 020-034 & BRO C 020-035	625,295
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>625,295</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Passed through Colorado Office of Energy Conservation -			
Weatherization Assistance for Low-Income Persons	81.042	C900817	72,011
Weatherization Assistance for Low-Income Persons-ARRA	81.042	C900720	1,207,458
TOTAL U.S. DEPARTMENT OF ENERGY			<u>1,279,469</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through Colorado Department of Human Services -			
Special Programs for the Aging -			
Title VII - Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	Not Available	2,743
Title VII - Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	Not Available	8,912
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	Not Available	5,380
Aging Cluster -			
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	Not Available	275,043
Title III, Part C - Nutrition Services	93.045	Not Available	347,591
Nutrition Services Incentive Program	93.053	Not Available	142,178
Title III, Part E - National Family Caregiver Support	93.052	Not Available	85,766

PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
YEAR ENDED DECEMBER 31, 2012

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	PASS-THROUGH <u>ENTITY'S IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Cont'd)</u>			
Passed through Colorado Department of Human Services (Cont'd) -			
Affordable Care Act-Aging & Disability Resource Ctr	93.517	Not Available	30,000
Affordable Care Act-MIPPA	93.518	Not Available	11,528
Temporary Assistance to Needy Families	93.558	Not Available	8,874,063
Temporary Assistance to Needy Families - ARRA	93.714	Not Available	261,150
Title IV-D, Child Support Enforcement	93.563	Not Available	1,055,973
Low-Income Home Energy Assistance	93.568	Not Available	4,293,271
Child Care Cluster -			
Child Care & Development Block Grant	93.575	Not Available	510,908
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Not Available	1,619,059
Child Welfare Services-State Grants Title IV-B	93.645	Not Available	115,057
Public Assistance Reporting Information System	93.647	Not Available	5,170
Foster Care - Title IV-E	93.658	Not Available	2,027,214
Adoption Assistance	93.659	Not Available	1,045,762
Social Services Block Grant - Title XX	93.667	Not Available	1,089,939
Chafee Foster Care Independence Program	93.674	Not Available	155,346
Title XIX, Medicaid Medical Assistance Program	93.778	Not Available	925,413
CMS Research, Demonstrations and Evaluations	93.779	Not Available	3,750
Passed through Colorado Department of Health Care			
Policy and Financing -			
Children's Health Insurance Program	93.767	Not Available	22,648
Medical Assistance Program (Healthy Communities Outreach and Case Management Program)	93.778	Not Available	90,060
Single Entry Point, Medical Assistance Program	93.778	Not Available	827,373
Passed through Colorado Department of Local Affairs -			
Community Services Block Grant	93.569	L10CSBG37 & L11CSBG37	294,474
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			24,125,771

PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
YEAR ENDED DECEMBER 31, 2012

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	PASS-THROUGH <u>ENTITY'S IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Passed through Colorado Department of Local Affairs - Emergency Management Performance Grants	97.042	12EM1L52	72,500
Passed through Colorado Department of Emergency Management -			
Chemical Stockpile Emergency Preparedness	97.040	12EM72252; 11EM71B52; 10EM71252; 9EM78352 & 8EM78252 8SHS12SR; 9SH10SR; 10HS11SR; 11SHS12SR; 12SHS13SR; 10CCP11SR	2,242,050
Homeland Security Grant Program	97.067		300,285
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>2,614,835</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 31,768,726</u>

PUEBLO COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2012

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Pueblo County, 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

The amount of noncash assistance expended during the year ended December 31, 2012 totaled \$694,995, which is represented by the Commodity Supplemental Food Program (commodities), CFDA #10.565 and the Temporary Emergency Food Assistance Program (Commodity Distribution), CFDA #10.569.

The amount of expenditures of federal awards paid to sub-recipients during the year ended December 31, 2012 is as follows:

Emergency Shelter Grants Program, CFDA #14.231	\$ 42,500
Title III, Part D – Disease Prevention and Health Promotion Services, CFDA #93.043	5,380
Title III, Part B – Grants for Supportive Services and Senior Centers, CFDA #93.044	145,044
Title III, Part C – Nutrition Services, CFDA #93.045	347,544
Title III, Part E – National Family Caregiver Support, CFDA #93.052	85,766
Nutrition Services Incentive Program, CFDA #93.053	142,178
Affordable Care Act – Aging & Disability Resource Center, CFDA #93.517	30,000
Affordable Care Act –MIPPA, CFDA #93.518	11,528
CMS Research, Demonstrations and Evaluations, CFDA #93.779	3,750
	<u>\$ 813,690</u>

NOTE 3 – CRIME VICTIM COMPENSATION

The Crime Victim Compensation Board of the Tenth Judicial District Attorney’s Office receives federal grant funding from the U.S. Department of Justice Crime Victim Compensation Grant (CFDA #16.576), passed through the Colorado Division of Criminal Justice, to pay for expenses for victims of violent crime. The total grant award during 2012 was \$24,000. This financial assistance is not included in the Schedule of Expenditures of Federal Awards for Pueblo County as the payment is made to the Tenth Judicial District, and the payments are not recorded in Pueblo County’s accounting system. They are noted, however, in order to satisfy the State of Colorado reporting requirements.

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