

Pueblo County, Colorado is pleased to present its comprehensive annual financial report for the year ending December 31, 2015 in .pdf format.

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PUEBLO COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FOR THE YEAR ENDING
December 31, 2015**

PUEBLO COUNTY, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2015

Prepared By:
Office of Budget & Finance

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Pueblo County, Colorado

Year Ended December 31, 2015

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INTRODUCTORY SECTION

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LIANE "BUFFIE" MCFADYEN
CHAIRPERSON
DISTRICT 2

SAL PACE
CHAIR PRO TEM
DISTRICT 3



TERRY A. HART
COMMISSIONER
DISTRICT 1

AIMEE TIHOVICH
BUDGET & FINANCE DIRECTOR

OFFICE OF BUDGET & FINANCE

August 26, 2016

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, 2015 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, 2015, 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 on the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements of each of Pueblo County's opinion units for the fiscal year ended December 31, 2015 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 the state 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. All of the board members are elected 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 2015 unemployment rate of 4.9% was higher than the State's average of 3.9% and slightly lower than the U.S. average of 5.0%. 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 of 71,740 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 acted to construct a new Judicial Complex building, needed to address increased usage of the courts and to better serve and protect witnesses and victims. This construction project was completed in 2014. Commissioners also acted to construct a new Emergency Operations Center, to address regional emergency management services needs, which was 100% funded by federal FEMA grant dollars and was completed in March 2014. Many roadway safety improvements and recreation facility improvements identified by working with the various communities in the County were also implemented in 2015.

Relevant Financial Policies

Under the Taxpayer's Bill of Rights (TABOR), state spending is only allowed to increase at a local growth rate plus inflation. Any money the County raises above that amount must be returned to taxpayers. With the Colorado economy recovering, it is projected that the County will need to either reduce the mill rate or will have to refund some property tax revenue going forward. Alternatively, the county is considering a ballot initiative asking voters for exemption from TABOR.

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.

During 2014 and 2015, the Library District completed construction of five new branch offices, including the construction of a fifth branch office at Colorado City in Pueblo County in 2015.

Awards and Acknowledgements

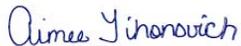
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pueblo County for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2014. This was the seventeenth consecutive year that the government 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 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 the audit and for administering County operations in a responsible and transparent manner. It is my distinct privilege to serve as a department director at a county which values effort, commitment and teamwork; and I am most proud in meeting my fiduciary responsibilities to the citizens of Pueblo County.

Respectfully submitted,



Aimee Tihonovich, Finance Director



Government Finance Officers Association

**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, 2014

Executive Director/CEO

**PUEBLO COUNTY, COLORADO
LISTING OF PRINCIPAL OFFICIALS
DECEMBER 2015**

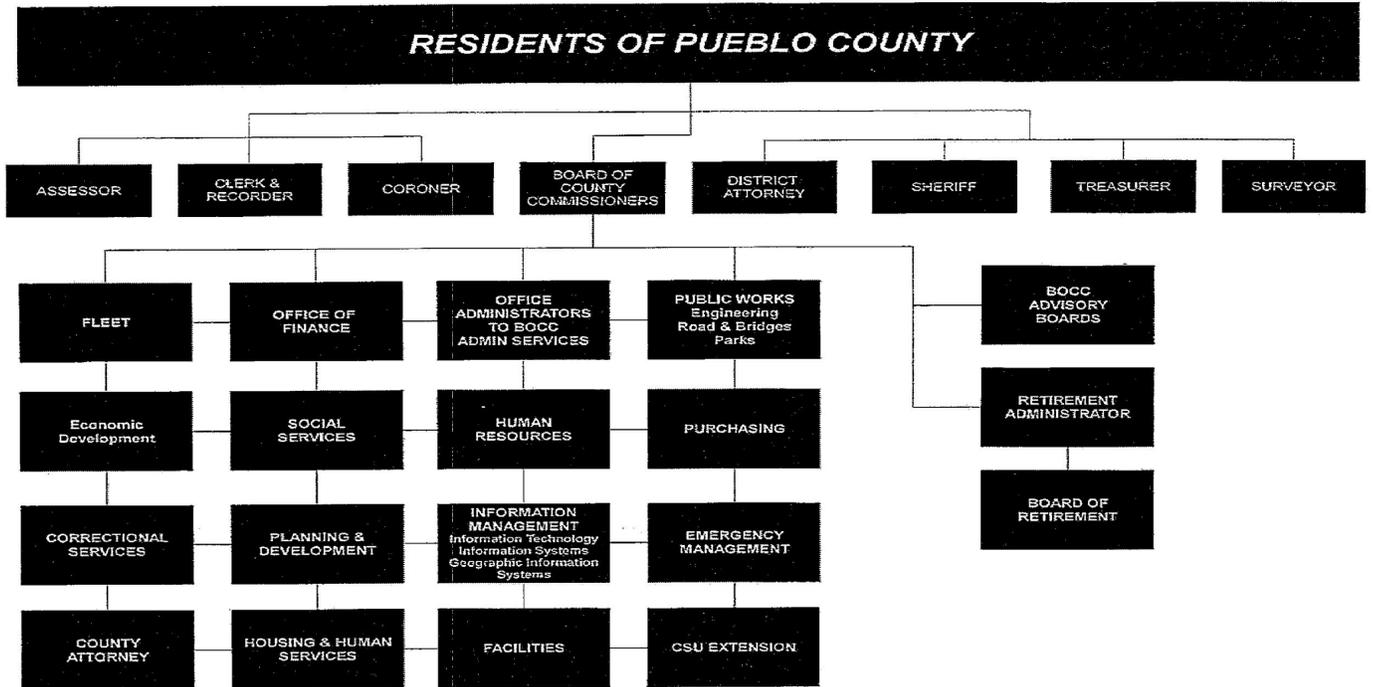
Elected Officials

Commissioner/Chairperson	Terry Hart
Commissioner	Liane "Buffie" McFayden
Commissioner	Sal Pace
Surveyor	Randy Reeves
Clerk & Recorder	Gilbert Ortiz
Assessor	Frank Beltran
Treasurer	Del Olivas
District Attorney	J.E. Chostner
Sheriff	Kirk Taylor
Coroner	Brian Cotter

Appointed Department Directors

County Attorney	Greg Styduhar
Human Resources	Patsy Cresswell
Office of Budget & Finance	Aimee Tihonovich
Information Technology	Ed Martinez
Purchasing	Nick Vunovich
Planning & Development	Joan Armstrong
Public Works	Alf Randall
Fleet Management	Carl Chavez
Department of Emergency Management	Mark Mears
Social Services	Tim Hart
Housing & Human Services	Virginia Jimenez
CSU Extension	Michael Fisher
Economic Development	Chris Markuson

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, 2015, 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 Pueblo County, Colorado, as of December 31, 2015, 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

Change in Accounting Principle

As described in Note D to the financial statements, the County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 - Accounting and Financial Reporting for Pensions and GASB Statement No. 71 - Pension Transition for Contributions Made Subsequent to the Measurement Date during the year ended December 31, 2015. Our opinion is not modified with respect to these matters.

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 14 and the budgetary comparison schedules, the schedule of changes in the County's net pension liability and related ratios, the schedule of County's contributions Pueblo County Officers and Employees' Pension Plan, the schedule of County's proportionate share of net pension liability, the schedule of contributions Colorado Public Employees' Retirement Association and the schedule of funding progress as listed in the table of contents on pages 87 through 97 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 introductory section, combining and individual non-major fund financial statements and schedules, the discretely presented component units financial statements, the local highway finance report and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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The combining and individual non-major fund financial statements and schedules, the discretely presented component units' financial statements, 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 non-major 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.

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 August 26, 2016, 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 Pueblo County, Colorado's internal control over financial reporting and compliance.



August 26, 2016

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MANAGEMENT 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, 2015. 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 is 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 15 and 16) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. 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, starting on page 18, 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 15. 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 net position, the residual of all other financial statement elements presented in a statement of financial position, for Pueblo County. 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 discretely-presented 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. Discretely-presented component units are legally separate organizations that must be included in the financial report of the County since the County is financially accountable for these entities. Financial information for the discretely-presented component units is reported separately from the financial information presented for the County 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 fifteen 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 Road and Bridge Fund, all of which are considered to be major funds. Data from the other twelve 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 five fiduciary funds, one of which is a pension trust fund and four 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. Total assets plus deferred outflows of resources of the County exceeded total liabilities plus deferred inflows of resources by \$99,629,577 as of December 31, 2015.

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 net investment in capital assets portion of 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 \$4,115,000. 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 \$72,144,223; 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 restated to \$109,745,964, reflecting a prior period adjustment of \$44,750,479, at the end of fiscal year 2014 due to implementation of GASB 68. Therefore, the results of 2015 activities of the Pueblo County primary government decreased net position by \$10,116,387.

The statements of net position and change in net position follow:

Pueblo County's Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and Other Assets	\$ 117,741,622	\$ 109,789,669	\$ 924,638	\$ 881,621	\$ 118,666,260	\$ 110,671,290
Net Capital Assets	<u>226,460,848</u>	<u>234,035,104</u>	<u>5,004,960</u>	<u>5,122,061</u>	<u>231,465,808</u>	<u>239,157,165</u>
Total Assets	344,202,470	343,824,773	5,929,598	6,003,682	350,132,068	349,828,455
Deferred Outflows of Resources	<u>5,383,983</u>	<u>4,082,538</u>	<u>300,157</u>	<u>360,592</u>	<u>5,684,140</u>	<u>4,443,130</u>
Long-Term Liabilities	175,756,438	174,332,520	10,003,748	10,084,984	185,760,186	184,417,504
Other Liabilities	<u>15,682,512</u>	<u>8,271,249</u>	<u>30,303</u>	<u>21,934</u>	<u>15,712,815</u>	<u>8,293,183</u>
Total Liabilities	191,438,950	182,603,769	10,034,051	10,106,918	201,473,001	192,710,687
Deferred Inflows of Resources	<u>54,713,630</u>	<u>51,814,934</u>	<u>-</u>	<u>-</u>	<u>54,713,630</u>	<u>51,814,934</u>
Net Position						
Net Investment in Capital Assets	164,623,352	170,479,412	941,485	730,337	165,564,837	171,209,749
Restricted	6,208,963	5,044,256	-	-	6,208,963	5,044,256
Unrestricted	<u>(67,398,442)</u>	<u>(62,035,060)</u>	<u>(4,745,781)</u>	<u>(4,472,981)</u>	<u>(72,144,223)</u>	<u>(66,508,041)</u>
Total Net Position	<u>\$ 103,433,873</u>	<u>\$ 113,488,608</u>	<u>\$ (3,804,296)</u>	<u>\$ (3,742,644)</u>	<u>\$ 99,629,577</u>	<u>\$ 109,745,964</u>

The amounts reported as 2014 Governmental Activities are restated to reflect the implementation of GASB 68.

Pueblo County's Change In Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program Revenues:						
Charges for Service	\$ 9,830,016	\$ 14,288,131	\$ 798,662	\$ 752,297	\$ 10,628,678	\$ 15,040,428
Operating Grants & Contributions	36,878,931	35,464,251	-	-	36,878,931	35,464,251
Capital Grants & Contributions	2,624,848	6,768,158	13,420	-	2,638,268	6,768,158
General Revenues:						
Property Taxes	47,622,988	46,080,419	-	-	47,622,988	46,080,419
Other Taxes	23,055,905	21,376,732	-	-	23,055,905	21,376,732
Unrestricted Investment Earnings	329,384	524,074	1,114	701	330,498	524,775
Other	103,195	90,017	-	-	103,195	90,017
Total Revenues	120,445,267	124,591,782	813,196	752,998	121,258,463	125,344,780
Expenses:						
General						
Government	32,634,132	28,304,667	-	-	32,634,132	28,304,667
Public Safety	34,057,390	31,400,549	-	-	34,057,390	31,400,549
Road & Bridge	14,174,193	14,554,339	-	-	14,174,193	14,554,339
Health, Welfare & Sanitation	34,072,277	32,148,244	-	-	34,072,277	32,148,244
Culture and Recreation	1,817,418	1,460,406	-	-	1,817,418	1,460,406
Conservation	867,537	761,856	-	-	867,537	761,856
Urban Redevelopment & Housing	2,531,580	1,919,984	-	-	2,531,580	1,919,984
Economic Development & Assistance	5,228,042	4,213,913	-	-	5,228,042	4,213,913
Interest on Long-Term Debt	4,808,570	4,941,935	-	-	4,808,570	4,941,935
Desert Hawk Golf Course	-	-	1,183,711	1,241,419	1,183,711	1,241,419
Total Expenses	130,191,139	119,705,893	1,183,711	1,241,419	131,374,850	120,947,312
Change in Net Position Before Transfers	(9,745,872)	4,885,889	(370,515)	(488,421)	(10,116,387)	4,397,468
Transfers	(308,863)	(308,762)	308,863	308,762	-	-
Change in Net Position	(10,054,735)	4,577,127	(61,652)	(179,659)	(10,116,387)	4,397,468
Net Position, Beginning, as Restated	113,488,608	108,911,481	(3,742,644)	(3,562,985)	109,745,964	105,348,496
Net Position, Ending	\$ 103,433,873	\$ 113,488,608	\$ (3,804,296)	\$ (3,742,644)	\$ 99,629,577	\$ 109,745,964

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 the business-type activity is a result of annually generating insufficient fees from rounds of golf sold to pay operating and capital costs plus debt service since its inception in 2000.

Governmental Activities. Current and other assets increased by \$8 million or 7% in 2015 over the prior year mostly due to receiving a lump sum payment of hazardous waste annual fees in the amount of \$10 million from the United States Department of Defense. These fees are related to the United States' "Pueblo Chemical Agent Destruction Pilot Plant" project for destroying stored mustard gas at the Chemical Depot. This increase was offset by a \$3.2 million decrease in restricted cash held from a 2012 COPs bond issue, such funds were used for improvements and adjustments to the judicial building constructed in 2014. Finally there was a net increase in other components of current assets such as property tax receivable increase being the most significant change over prior year.

Net capital assets decreased \$7.6 million or 3% from the prior year due to depreciation exceeding the amount of new capital assets purchased.

Deferred outflows increased by \$1.3 million from the prior year due to the implementation of GASB 68.

Liabilities increased \$8.8 million or 4.8% over the prior year mostly as a result of adopting the Governmental Accounting Standard Board's Statement No. 68 (GASB 68) for pension reporting. Long-term liabilities increased \$1.4 million or .8% mainly due to implementation of GASB 68. Other liabilities increased \$7.4 million or 90% due to higher accounts payable and the lump sum payment of \$10 million mentioned above, which is only to be used to offset costs related to the impact of this project. Deferred inflows of resources increased \$2.9 million or 6% due mainly to more deferred property tax revenue.

The County implemented GASB 68 which led to a restatement of net position of \$44,750,479. This was due to recording the net pension liability and related deferred inflows and outflows of resources. During 2015, the change in the net pension liability and related deferred inflows and outflows of resources resulted in additional pension related expenses on the statement of activities of \$2,355,245.

Net position decreased \$10.0 million or 8.8% in the fiscal year as a result of governmental activities.

Business-Type Activities. Business-type activities decreased the County's net position by \$61,652 in

2015. 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 COP debt is retired in 2024.

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 \$9,172,295 while total fund balance was \$18,446,821. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 25% of General Fund expenditures in 2015 versus 26% in 2014. General Fund fund balance increased by \$10,324 in 2015.

Social Service fund balance decreased by \$1,049,272 which is attributed to the budgeted use of fund balance to meet current year expenditures.

Road and Bridge fund balance increased by \$804,556, several significant projects were in the planning stages during 2015, construction will begin in 2016 and this fund balance addition will be spent for these projects.

Fund balance in the Non-Major Governmental Funds decreased by \$178,554 in 2015 as a result of capital improvement needs being higher than current funds available.

Budgetary Highlights. The County revised its 2015 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.

An amendment to the 2015 General Fund was made to account for a transfer of funds to the capital expenditure fund in the amount of \$700,000 for purposes of purchasing a building for the County Fleet department, the Chemical Stockpile Emergency Preparedness Program (CSEPP) budget was increased by \$1,000,000 due to a higher than anticipated federal grant award for expenses related to the County's digital trunked radio system, and the County Attorney budget was increased by \$165,000 due to higher than originally anticipated utilization of independent contractors to assist with specialized legal issues.

Additional appropriation to the Capital Expenditure Fund was made in order to purchase the building for the County Fleet and to pay for increased professional service fees associated with the Southern Delivery System 1041 permitting.

Additional appropriation to the Board of Development Disability Fund in the amount of \$8,000 was made for purposes of fully transferring all tax revenues earned in this fund to the entity that the county contracts with for serving this population as taxes collected were higher than originally anticipated.

Additional appropriation to the Social Services Fund was made in order to account for spending needs associated with higher grant awards than originally intended.

Additional appropriation was made to the Desert Hawk Golf Course Fund in the amount of \$11,000 in order to account for higher than anticipated golf course maintenance needs.

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 an accumulated deficit of \$3,804,296. Other factors concerning the finances of this fund have already been addressed in the discussion of the 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, 2015 total \$226,460,848 and \$5,004,960 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>	
	2015	2014	2015	2014	2015	2014
Nondepreciable Buildings and Improvements	\$ 12,137,898	\$ 12,137,898	\$ 4,402,683	\$ 4,402,683	\$ 16,540,581	\$ 16,540,581
Machinery and Equipment	111,284,781	114,777,802	73,329	82,621	111,358,110	114,860,423
Improvements Other than Buildings	9,049,302	8,415,324	93,614	127,456	9,142,916	8,542,780
Infrastructure	-	-	435,334	509,301	435,334	509,301
Software Development	82,914,872	88,361,189	-	-	82,914,872	88,361,189
Construction in Progress	1,474,845	1,674,215	-	-	1,474,845	1,674,215
	9,599,150	8,668,676	-	-	9,599,150	8,668,676
	<u>\$ 226,460,848</u>	<u>\$ 234,035,104</u>	<u>\$ 5,004,960</u>	<u>\$ 5,122,061</u>	<u>\$ 231,465,808</u>	<u>\$ 239,157,165</u>

More information on the County’s capital assets can be found in the notes to the financial statements starting on page 50.

Long-Term Debt. As of December 31, 2015, Pueblo County had debt outstanding of \$98 million comprised of \$4 million of general obligation bonds, \$93 million of COPs debt and \$1 million of capital leases.

General Obligation Bonds and Obligations Under Certificates of Participation and Capital Leases

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ 4,175,783	\$ 5,126,635	\$ -	\$ -	\$ 4,175,783	\$ 5,126,635
Certificates of Participation	<u>88,615,492</u>	<u>90,322,820</u>	<u>4,363,632</u>	<u>4,752,316</u>	<u>92,979,124</u>	<u>95,075,136</u>
Subtotal	92,791,275	95,449,455	4,363,632	4,752,316	97,154,907	100,201,771
Capital Leases	<u>796,548</u>	<u>1,170,218</u>	-	-	<u>796,548</u>	<u>1,170,218</u>
Total Debt	<u>\$ 93,587,823</u>	<u>\$ 96,619,673</u>	<u>\$ 4,363,632</u>	<u>\$ 4,752,316</u>	<u>\$ 97,951,455</u>	<u>\$ 101,371,989</u>

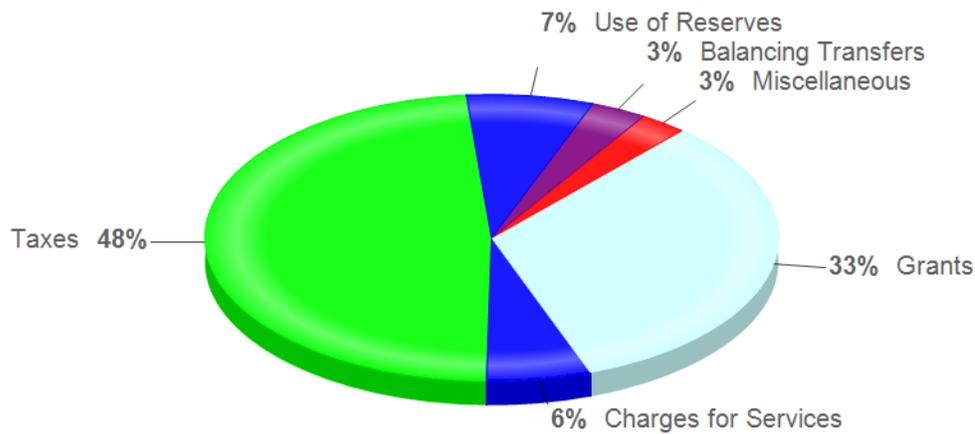
The County's long-term debt financed by General Obligation Bonds, Certificates of Participation and Capital Leases decreased by \$3,420,534 million or (3)% during the period.

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 \$359,285,902. Since the library bonds 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 54.

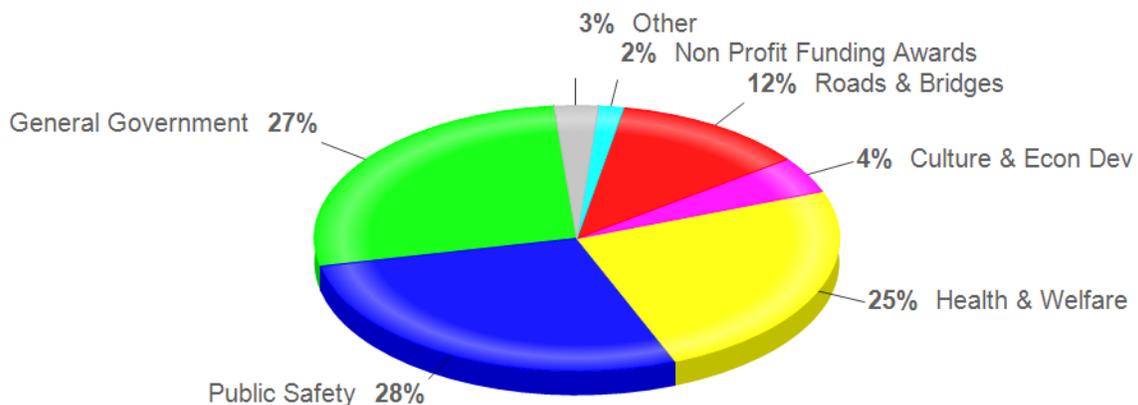
Projections

Next Year's Budget. The County's 2016 budget is balanced. The budgeted unassigned general fund balance available to the County for 2016 was \$19,147,295, the 2016 budget anticipates spending \$1.9 million of these reserves to maintain current service levels. The county is adjusting to the increased maintenance needs of 2 new buildings as well as making debt payments and it is anticipated that reserves will help support the county operations for another few years. Graphs of next year's \$150 million budget (all funds combined) depicting allocation of revenues and expenditures by category 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 2016 budget.

- Denver-Boulder-Greeley CPI rose 1.2% to 239.99 in 2015.
- Employment increased by 1.0% or 578 jobs versus a 1.0% increase for the State in 2015.
- The County's average unemployment rate in 2015 decreased to 4.9% from 5.6% for the previous year. This is higher than the State average of 3.9% and slightly below the national average of 5.0%.
- The number of new single family dwelling permits issued in Pueblo County for the year stood at 223, compared to 159 for 2014. This translates into a 40% increase.
- Pueblo County Public Trustee data shows 519 foreclosure filings in 2015 or a 22.0% drop from the 666 filings reported for 2014.

Assigned fund balance in the General Fund ended the year at \$3,739,648 of which \$2,812,927 is included for spending in fiscal year 2016 budget. It is expected that the use of fund balance will avoid the need to raise taxes or reduce services in 2016.

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 Aimee Tihonovich, Budget and Finance Director, 215 W 10th Street, Suite 217 Pueblo, CO 81003-2945 or emailed to aimee.tihonovich@co.pueblo.co.us.

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BASIC FINANCIAL STATEMENTS

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PUEBLO COUNTY, COLORADO

STATEMENT OF NET POSITION

DECEMBER 31, 2015

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 23,792,158	\$ 62,665	\$ 23,854,823	\$ 482,574
Investments	24,411,185	-	24,411,185	56,147
Receivables, Net	62,847,270	-	62,847,270	67,235
Internal Balances, Net	212,715	(212,715)	-	-
Inventories	697,363	-	697,363	-
Prepaid Expenses	1,372,957	-	1,372,957	-
Unamortized Bond Insurance Costs	1,247,294	-	1,247,294	-
Restricted Cash and Cash Equivalents	3,160,680	617,688	3,778,368	-
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	236,810	-	236,810	-
Construction in Progress	9,599,150	-	9,599,150	-
Non-Depreciable Capital Assets	21,737,048	4,402,683	26,139,731	-
Buildings and Improvements	111,284,781	73,329	111,358,110	-
Machinery and Equipment	9,049,302	93,614	9,142,916	122,062
Improvements other than Buildings	-	435,334	435,334	-
Infrastructure	82,914,872	-	82,914,872	-
Software Development	1,474,845	-	1,474,845	-
Depreciable Capital Assets, Net	204,723,800	602,277	205,326,077	122,062
Total Capital Assets, Net	226,460,848	5,004,960	231,465,808	122,062
TOTAL ASSETS	344,202,470	5,929,598	350,132,068	728,018
Deferred Outflows of Resources	5,383,983	300,157	5,684,140	-
LIABILITIES				
Accounts Payable and Accrued Expenses	5,200,394	21,738	5,222,132	29,489
Due to Other Governmental Agencies	507,118	-	507,118	-
Advances from Others	9,975,000	8,565	9,983,565	-
Liabilities Due or Payable in One-Year or Less:				
Accrued Interest	1,364,922	17,145	1,382,067	-
General Obligation Bonds	970,000	-	970,000	-
Certificates of Participation	1,650,000	410,000	2,060,000	-
Capital Leases	389,840	-	389,840	-
Compensated Absences	473,000	-	473,000	-
Estimated Claims and Judgments	800,892	-	800,892	-
Liabilities Due or Payable after One-Year:				
General Obligation Bonds, Net	3,205,783	-	3,205,783	-
Certificates of Participation, Net	86,965,492	3,953,632	90,919,124	-
Capital Lease	406,708	-	406,708	-
Advances from Other Government	-	5,622,971	5,622,971	-
Compensated Absences	7,410,884	-	7,410,884	-
Estimated Claims and Judgments	394,982	-	394,982	-
Net OPEB Obligation	3,422,686	-	3,422,686	-
Net Pension Liability	68,301,249	-	68,301,249	-
TOTAL LIABILITIES	191,438,950	10,034,051	201,473,001	29,489
Deferred Inflows of Resources	54,713,630	-	54,713,630	-
NET POSITION				
Net Investment in Capital Assets	164,623,352	941,485	165,564,837	122,062
Restricted for:				
TABOR	2,600,000	-	2,600,000	-
Capital Projects	3,027,387	-	3,027,387	-
Other	581,576	-	581,576	-
Unrestricted	(67,398,442)	(4,745,781)	(72,144,223)	576,467
TOTAL NET POSITION	\$ 103,433,873	\$ (3,804,296)	\$ 99,629,577	\$ 698,529

The accompanying notes are an integral part of this statement.

**PUEBLO COUNTY, COLORADO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

Function/Program Activities:	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities				
General Government	\$ 32,634,132	\$ 6,055,272	\$ 1,525,951	\$ 35,009
Public Safety	34,057,390	2,663,837	4,392,902	2,236,961
Road and Bridge	14,174,193	278,797	5,050,119	-
Health, Welfare and Sanitation	34,072,277	266,708	24,316,029	-
Culture and Recreation	1,817,418	331,538	-	352,878
Conservation	867,537	131,051	185,470	-
Urban Redevelopment and Housing	2,531,580	102,813	1,250,050	-
Economic Development and Assistance	5,228,042	-	158,410	-
Interest on Long-Term Debt	4,808,570	-	-	-
Total Governmental Activities	<u>130,191,139</u>	<u>9,830,016</u>	<u>36,878,931</u>	<u>2,624,848</u>
Business-Type Activities				
Desert Hawk Golf Course	<u>1,183,711</u>	<u>798,662</u>	<u>-</u>	<u>13,420</u>
Total Primary Government	<u>131,374,850</u>	<u>10,628,678</u>	<u>36,878,931</u>	<u>2,638,268</u>
Component Units				
Emergency Telephone Service Authority	671,824	476,984	-	-
Runyon Sports Complex Commission, Inc.	<u>860,726</u>	<u>548,435</u>	<u>104,118</u>	<u>-</u>
Total Component Units	<u>\$ 1,532,550</u>	<u>\$ 1,025,419</u>	<u>\$ 104,118</u>	<u>\$ -</u>

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 Position
Primary Government

Governmental Activities	Business-Type Activities	Totals	Component Units
\$ (25,017,900)	\$ -	\$ (25,017,900)	\$ -
(24,763,690)	-	(24,763,690)	-
(8,845,277)	-	(8,845,277)	-
(9,489,540)	-	(9,489,540)	-
(1,133,002)	-	(1,133,002)	-
(551,016)	-	(551,016)	-
(1,178,717)	-	(1,178,717)	-
(5,069,632)	-	(5,069,632)	-
(4,808,570)	-	(4,808,570)	-
<u>(80,857,344)</u>	<u>-</u>	<u>(80,857,344)</u>	<u>-</u>
-	(371,629)	(371,629)	-
<u>(80,857,344)</u>	<u>(371,629)</u>	<u>(81,228,973)</u>	<u>-</u>
-	-	-	(194,840)
-	-	-	(208,173)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (403,013)</u>
\$ 46,484,443	\$ -	\$ 46,484,443	\$ -
1,138,545	-	1,138,545	-
18,835,848	-	18,835,848	-
4,220,057	-	4,220,057	-
329,384	1,114	330,498	1,193
103,195	-	103,195	-
(308,863)	308,863	-	-
<u>70,802,609</u>	<u>309,977</u>	<u>71,112,586</u>	<u>1,193</u>
(10,054,735)	(61,652)	(10,116,387)	(401,820)
<u>113,488,608</u>	<u>(3,742,644)</u>	<u>109,745,964</u>	<u>1,100,349</u>
<u>\$ 103,433,873</u>	<u>\$ (3,804,296)</u>	<u>\$ 99,629,577</u>	<u>\$ 698,529</u>

**PUEBLO COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	General Fund	Social Services	Road and Bridge Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 10,699,771	\$ 2,913,886	\$ 7,514,735	\$ 2,663,766	\$ 23,792,158
Investments	11,785,026	3,316,799	8,640,225	669,135	24,411,185
Receivables, Net:					
Taxes	40,574,899	4,512,231	2,611,470	4,513,617	52,212,217
Grants	3,143,697	-	96,140	674,302	3,914,139
Notes	2,011,935	-	-	381,208	2,393,143
Interest	60,292	-	-	-	60,292
Other Governments	97,816	2,147,898	583	1,101	2,247,398
Other Agencies	-	-	-	1,400,000	1,400,000
Other	572,635	10,192	23,748	13,506	620,081
Inventories	121,585	-	385,906	189,872	697,363
Due from Other Funds	499,535	-	45,791	288,949	834,275
Prepaid Items	354,422	213,681	1,433	-	569,536
Cash and Cash Equivalents - Restricted	6,001	-	-	3,154,679	3,160,680
Advances to Other Funds	395,000	-	-	-	395,000
TOTAL ASSETS	<u>70,322,614</u>	<u>13,114,687</u>	<u>19,320,031</u>	<u>13,950,135</u>	<u>116,707,467</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	2,457,161	797,560	769,076	1,068,426	5,092,223
Due to Other Governments	-	507,118	-	-	507,118
Due to Other Funds	248,493	113,709	85,912	173,446	621,560
Advances from Others	9,975,000	-	-	-	9,975,000
Other Accrued Liabilities	82,051	12,454	13,089	577	108,171
Advance from Other Funds	-	-	-	395,000	395,000
TOTAL LIABILITIES	<u>12,762,705</u>	<u>1,430,841</u>	<u>868,077</u>	<u>1,637,449</u>	<u>16,699,072</u>
DEFERRED INFLOWS OF RESOURCES	39,113,088	9,512,330	1,603,927	4,686,973	54,916,318
FUND BALANCES					
Nonspendable	2,882,942	214,865	387,339	1,400,000	4,885,146
Restricted	2,651,936	-	-	3,557,027	6,208,963
Committed	-	-	11,311,931	-	11,311,931
Assigned	3,739,648	1,956,651	5,148,757	2,668,686	13,513,742
Unassigned	9,172,295	-	-	-	9,172,295
TOTAL FUND BALANCES	<u>18,446,821</u>	<u>2,171,516</u>	<u>16,848,027</u>	<u>7,625,713</u>	<u>45,092,077</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 70,322,614</u>	<u>\$ 13,114,687</u>	<u>\$ 19,320,031</u>	<u>\$ 13,950,135</u>	<u>\$ 116,707,467</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, 2015

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 45,092,077

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

In the statement of net position, certain prepaid expenses are not reported as prepaid items on the governmental funds balance sheet. 803,421

Unamortized Bond Insurance Costs 1,247,294

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 373,703,782
Accumulated depreciation is (147,242,934) 226,460,848

Deferred outflows of resources, reported as deferred amounts on refunding and pension related deferred outflows of resources, are not financial resources and thus are not reported as assets in the governmental funds. 5,383,983

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	(4,175,783)	
Certificates of Participation Payable	(88,615,492)	
Accrued Interest on Bonds and Certificates of Participation Payable	(1,364,922)	
Capital Leases Payable	(796,548)	
Compensated Absences	(7,883,884)	
Claims and Judgments	(1,195,874)	
OPEB Obligation	(3,422,686)	
Net Pension Liability	<u>(68,301,249)</u>	<u>(175,756,438)</u>

Deferred inflows of resources for amounts not received within the availability period are not reported as revenue in the governmental funds.

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 103,433,873

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, 2015

	General Fund	Social Services	Road and Bridge Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property Taxes, Net	\$ 38,343,560	\$ 3,503,992	\$ 1,465,256	\$ 4,310,180	\$ 47,622,988
Specific Ownership Taxes	3,489,932	318,589	130,046	281,490	4,220,057
Sales and Use Taxes	14,065,090	-	4,112,722	658,036	18,835,848
Fees and Fines	140,838	-	-	-	140,838
Licenses and Permits	1,167,116	-	3,880	-	1,170,996
Intergovernmental	10,173,063	21,144,137	405,804	4,783,381	36,506,385
State Highway Users Tax	-	-	4,916,568	-	4,916,568
Charges for Services	6,948,830	50,527	-	184,096	7,183,453
Investment Earnings	301,410	-	21,551	6,423	329,384
Contributions and Private Grants	223,907	-	-	354,280	578,187
Other Revenues	672,869	-	8,120	27,962	708,951
TOTAL REVENUES	75,526,615	25,017,245	11,063,947	10,605,848	122,213,655
EXPENDITURES					
Current:					
General Government	26,986,647	-	-	2,720,334	29,706,981
Public Safety	27,569,998	-	-	155,106	27,725,104
Highways and Streets	-	-	6,275,175	-	6,275,175
Health and Welfare	2,029,935	25,882,287	-	3,798,348	31,710,570
Culture and Recreation	426,851	-	-	333,743	760,594
Urban Development and Housing	-	-	-	2,224,129	2,224,129
Conservation	806,176	-	-	-	806,176
Economic Development Assistance	5,085,119	-	-	-	5,085,119
Intergovernmental	940,218	-	1,883,910	-	2,824,128
Debt Service:					
Principal Retirement	1,958,670	-	-	935,000	2,893,670
Interest and Fiscal Charges	4,644,128	-	-	202,538	4,846,666
Capital Outlay	3,380,698	184,230	2,100,306	1,794,192	7,459,426
TOTAL EXPENDITURES	73,828,440	26,066,517	10,259,391	12,163,390	122,317,738
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,698,175	(1,049,272)	804,556	(1,557,542)	(104,083)
OTHER FINANCING SOURCES (USES)					
Transfers In	103,025	-	-	1,519,513	1,622,538
Transfers Out	(1,790,876)	-	-	(140,525)	(1,931,401)
TOTAL OTHER FINANCING SOURCES (USES)	(1,687,851)	-	-	1,378,988	(308,863)
NET CHANGE IN FUND BALANCES	10,324	(1,049,272)	804,556	(178,554)	(412,946)
FUND BALANCES, January 1	18,436,497	3,220,788	16,043,471	7,804,267	45,505,023
FUND BALANCES - December 31	\$ 18,446,821	\$ 2,171,516	\$ 16,848,027	\$ 7,625,713	\$ 45,092,077

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, 2015

Net Change in Fund Balance - Total Governmental Funds \$ (412,946)

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 \$	4,652,672	
Depreciation Expense	<u>(12,283,784)</u>	(7,631,112)

In the statement of activities, donations of capital assets are reported as program revenues. However, these do not represent a current financial resource, so are not reported in the funds. 150,659

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 of fixed assets is calculated as follows:

Cost of Assets Disposed	(1,161,727)	
Accumulated Depreciation of Assets Disposed	<u>1,067,923</u>	(93,804)

Recognition and measurement of the changes in deferred outflows of resources, including deferred amounts on refunding and pension-related deferred outflows of resources in financial statements prepared using the economic resources measurement focus and the accrual basis of accounting are not financial resources and, therefore, are not reported in governmental funds as such. 1,301,445

Deferred inflows of resources for amounts not received within the availability period and pension-related deferred inflows are not reported as revenue in the governmental funds. (1,942,571)

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 (892,954) was more than the amounts earned (786,479). 106,475

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. (157,416)

In the statement of net position, certain prepaid expenses are not reported as prepaid items on the governmental funds balance sheet. 60,860

Change in carrying value of the net OPEB obligation is not reported in governmental funds. (727,532)

Change in carrying value of the net pension liability is not reported in governmental funds. (3,706,200)

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, 2015

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 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:

Principal Paid on General Obligation Bonds, COPs and Capital Leases	2,893,671	
Interest Expense on General Obligation Bonds, COPs and Capital Leases	28,904	
	-	
Amortization of Bond Insurance Costs, Discounts and Premiums	74,832	<u>2,997,407</u>
Change in Net Position of Governmental Activities		<u><u>\$(10,054,735)</u></u>

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2015

	<u>Enterprise Fund</u> <u>Desert Hawk</u> <u>Golf Course</u>
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 62,665
TOTAL CURRENT ASSETS	<u>62,665</u>
NONCURRENT ASSETS	
Capital Assets -	
Land	4,402,683
Buildings	362,041
Improvements	1,484,405
Machinery and Equipment	919,341
Accumulated Depreciation	<u>(2,163,510)</u>
TOTAL CAPITAL ASSETS	5,004,960
Other Assets -	
Cash and Equivalents, Restricted for Debt Service	617,688
Land Held for Development	<u>457,000</u>
TOTAL OTHER ASSETS	1,074,688
TOTAL NONCURRENT ASSETS	<u>6,079,648</u>
TOTAL ASSETS	<u>6,142,313</u>
 DEFERRED OUTFLOWS OF RESOURCES	
	<u>300,157</u>
 LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	21,738
Due to Other Funds	212,715
Accrued Interest Payable	17,145
Certificates of Participation Payable	410,000
Advances from Others	<u>8,565</u>
TOTAL CURRENT LIABILITIES	<u>670,163</u>
 LONG-TERM LIABILITIES	
Certificates of Participation Payable, Net	3,953,632
Advance on Purchase Option from Other Government	457,000
Advance on Water Payments	1,279,813
Loan Payable to Other Government	<u>3,886,158</u>
TOTAL LONG-TERM LIABILITIES	<u>9,576,603</u>
TOTAL LIABILITIES	<u>10,246,766</u>
 NET POSITION	
Net Investment in Capital Assets	941,485
Unrestricted (Deficit)	<u>(4,745,781)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (3,804,296)</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, 2015

	Enterprise Funds Desert Hawk Golf Course
OPERATING REVENUE	
Charges for Services	\$ 798,662
TOTAL OPERATING REVENUE	<u>798,662</u>
OPERATING EXPENSES	
Personnel Services	28,568
Contract Fees	350,613
Supplies	169,599
Professional Services	15,369
Insurance	9,789
Repair and Maintenance	26,272
Depreciation	123,402
Utilities and Communications	166,837
Equipment Rent	1,617
Miscellaneous Expenses	872
TOTAL OPERATING EXPENSES	<u>892,938</u>
OPERATING INCOME (LOSS)	<u>(94,276)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment Earnings	1,114
Interest and Fiscal Charges	(290,773)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(289,659)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	<u>(383,935)</u>
Capital Contributions	13,420
Transfers In	308,863
CHANGE IN NET POSITION	(61,652)
NET POSITION (DEFICIT) JANUARY 1	<u>(3,742,644)</u>
NET POSITION (DEFICIT) DECEMBER 31	<u><u>\$ (3,804,296)</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, 2015**

	<u>Enterprise Fund Desert Hawk Golf Course</u>
Cash Flows from Operating Activities	
Receipts from Customers	\$ 796,253
Payments to Suppliers for Goods and Services	(730,330)
Payments to Employees	<u>(28,428)</u>
Net Cash Provided by Operating Activities	<u>37,495</u>
Cash Flows from Non-Capital Financing Activities	
Transfers In	308,863
Advances from Other Governments	<u>308,863</u>
Net Cash Provided by Noncapital Financing Activities	<u>617,726</u>
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Certificates of Participation	(395,000)
Principal Paid on Capital Leases	-
Interest and Fiscal Charges	(225,438)
Acquisition of Capital Assets	(7,108)
Capital Contributions	<u>13,420</u>
Net Cash Used by Capital and Related Financing Activities	<u>(614,126)</u>
Cash Flows from Investing Activities	
Interest	<u>1,114</u>
Net Cash Provided by Investing Activities	<u>1,114</u>
Net Increase in Cash and Cash Equivalents	42,209
Cash and Cash Equivalents at Beginning of Year	<u>637,336</u>
Cash and Cash Equivalents at End of Year	<u>\$ 679,545</u>
Displayed as:	
Cash and Cash Equivalents	\$ 62,665
Cash and Cash Equivalents, Restricted for Debt Service	<u>617,688</u>
	<u>\$ 680,353</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ (94,276)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	123,402
Change in Assets and Liabilities -	
Accounts Payable and Accrued Expenses	10,779
Advances from Others	<u>(2,410)</u>
Net Cash Used by Operating Activities	<u>\$ 37,495</u>

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2015

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 2,045,290	\$ 4,529,089
Receivables, Net	656,848	6,230
Receivables, Interest and Dividends	15,076	-
Other Accounts Receivable	81,817	-
Investments, at Fair Value:		
Investment Contracts	15,986,148	-
Publicly Traded Partnership	20,863,575	-
Equity Mutual Funds	27,220,796	-
Fixed Income Securities	12,577,970	-
Other Equity Securities	44,418,305	-
	<u>123,865,825</u>	<u>4,535,319</u>
TOTAL ASSETS		
LIABILITIES		
Accounts Payable	77,021	-
Advances from Others	-	13,780
Due to Other Governments	-	4,104,447
Due to Developers	-	403,469
Due to Victims and Insurance Companies	-	13,623
Other Payables	253,563	-
	<u>330,584</u>	<u>\$ 4,535,319</u>
TOTAL LIABILITIES		
NET POSITION		
Restricted for Plan Benefits	<u>\$ 123,535,241</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, 2015

	<u>Pension Trust Fund</u>
ADDITIONS	
Contributions:	
Employer	\$ 3,829,376
Plan Members	<u>3,829,376</u>
Total Contributions	<u>7,658,752</u>
Investment Earnings:	
Net Appreciation (Depreciation) in Fair Value of Investments	(3,789,031)
Interest and Dividends	<u>2,378,385</u>
Total Investment Income	(1,410,646)
Investment Activity Expense	<u>(395,850)</u>
Net Investment Earnings	<u>(1,806,496)</u>
 TOTAL ADDITIONS	 <u>5,852,256</u>
DEDUCTIONS	
Benefit Payments:	
Retirement Benefits	9,511,899
Refunds of Contributions	<u>904,959</u>
Total Benefit Payments	<u>10,416,858</u>
 Administrative Expenses:	
Administrative Costs	<u>192,487</u>
Total Administrative Expenses	<u>192,487</u>
 TOTAL DEDUCTIONS	 <u>10,609,345</u>
 CHANGE IN NET POSITION	 (4,757,089)
 NET POSITION RESTRICTED FOR PLAN BENEFITS AT BEGINNING OF YEAR	 <u>128,292,330</u>
 NET POSITION RESTRICTED FOR PLAN BENEFITS AT END OF YEAR	 <u>\$ 123,535,241</u>

The accompanying notes are an integral part of this statement.

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NOTES TO FINANCIAL STATEMENTS

PUEBLO COUNTY, COLORADO
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PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

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

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE A - REPORTING ENTITY, Continued

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. 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 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. PCCCC is included as a blended component unit because the component unit's total debt outstanding, including leases, is expected to be repaid entirely, or almost entirely, with resources of the County.

Discretely Presented Component Units

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

Pueblo 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. The Authority is included as a discretely-presented component unit because the Board of County Commissioners appoints a

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE A - REPORTING ENTITY, Continued

voting majority of the Authority's governing body and is able to modify the decisions of the Authority's governing body and there exist specific financial benefits to and specific financial burdens on the County. 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. The Commission is included as a discretely-presented component unit because the Board of County Commissioners appoints a voting majority of the Commission's governing body and is able to modify the decisions of the Commission's governing body and there exists specific financial benefits to and specific financial burdens on the County. 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.

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 for 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.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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.

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

I -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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 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 ***Road & Bridge Fund*** is a special revenue fund 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 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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

activities. The other special revenue funds are:

- Employee Retirement
 - Board of Developmental Disability
 - Pueblo County Housing
 - Conservation Trust
 - Department of Aging Services
 - Housing and Human Services
 - Detention Commissary
 - Subdivision Park Site Fee
 - Fire Hydrant Impact Fee
- **Capital projects funds** are used to account and report financial resources that are restricted, committed or assigned to expenditures for capital outlay (other than those financed by business-type/proprietary funds). The Capital Projects Fund and the Capital Expenditure Fund are other non-major capital projects funds of the County.
 - **Debt service funds** are used to account and report financial resources that are restricted, committed or assigned to expenditures of general long-term debt principal and interest on general obligation debt. The County reports the following debt service fund:
 - **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.

Fiduciary Funds:

- **Pension Trust Fund** accounts for the activities of the Pueblo County Officers and Employees Pension Plan, (the Plan). The Plan accumulates resources for the benefit of qualified employees. The Plan issued a standalone plan financial report for the year ended December 31, 2015, which can be obtained by contacting the Plan administrator at 215 W. 10th Street, Pueblo, Colorado 81003.
- **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; and (4) 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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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.

NOTE D - NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27, in June 2012. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement was a result of a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity and creating additional transparency. This statement is effective for years beginning after June 15, 2014 and was adopted by the County for the year ended December 31, 2015.

The GASB issued Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment to GASB Statement 68 in November 2013. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined pension plan after the measurement date of the government's beginning net pension liability. This statement was implemented by the County for the year ending December 31, 2015.

The application of these statements resulted in a restatement of net position as detailed in Note III - H, Net Position.

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 Pueblo County Emergency Telephone Service Authority, a discretely-presented component unit. State statutes specify investment instruments in which

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

I-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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, agency securities and negotiable certificates of deposit 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, 2015, 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, 2015 for the 2014 base year as specified by State law.

The taxes levied on December 20, 2015 reflect 2015 property taxes that will be collected in 2016. 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 schedule accrue interest and penalty charges and are subject to liens if not paid by November.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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 2015, the County reduced property tax receivable and deferred inflows of resources (property taxes) by \$2,002,439 as a result of these credits. Additionally, \$4,379,866 in property tax refunds were issued in 2015 under the terms of these agreements.

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. 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 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. Pueblo County uses the purchases method when recording prepaid items, in that the entire cost is expensed initially and then the prepaid balance is adjusted to actual at year end.

6. Restricted assets. Restricted assets include cash and cash equivalents of \$6,001 in the general fund, \$1,290,340 in the capital projects fund and \$1,864,339 in the capital expenditures fund that represent unspent bond proceeds. Cash and cash equivalents of \$617,688 in the proprietary fund are also 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 does 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

**PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

31, 2015.

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, 2015

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. Intent is expressed by the Director of Budget and Finance or his/her designee 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 and limitations of existing fund balance resulting from intended use.
- 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.

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;

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

I -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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 net position as 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.

NOTE F - RETIREMENT PLANS

1. Pueblo County Retirement Plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Pueblo County Officers and Employees Pension Plan (the Plan) have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Public Employees' Retirement Association of Colorado ("PERA"). Pueblo County participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis as they are reported by PERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE F - RETIREMENT PLANS, Continued

accordance with the benefit terms. Investments are reported at fair value.

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 2015, 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.

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.

For the year ended December 31, 2015, The Department of Social Services had actual expenditures of \$26,066,517 which exceeded appropriations of \$26,000,717 by \$65,800. As such, Pueblo County may not be in compliance with Colorado budget law.

**PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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	\$ 177,998
Demand Deposits	2,064,973
Investments Pools	25,903,300
Restricted Assets -	
Investments Pool	1,864,339
Demand Deposits - Restricted	84,777
	<u>30,095,387</u>

Not Held by County Treasurer

Cash and Cash Equivalents On Hand	19,100
Demand Deposits - Various Other Departments	472,990
Runyon Sports Complex Commission, Inc.	
Certificates of Deposit	57,003
Demand Deposits	171,120
Investments Pool - Restricted	617,688
Investment Pools with Fiscal Agent - Restricted	1,211,566
	<u>2,549,467</u>
	<u>\$ 32,644,854</u>

Investments

Held by County Treasurer

U.S. Agency Securities	\$ 21,893,321
Certificates of Deposit	550,325
Negotiable Certificates of Deposit	1,967,539
	<u>24,411,185</u>

Not Held by County Treasurer

Runyon Sports Complex Commission, Inc. - Certificates of Deposit	56,147
	<u>\$ 24,467,332</u>

	Cash and Cash Equivalents	Investments
Statement of Net Position		
Primary Government	\$ 23,854,823	\$ 24,411,185
Primary Government - Restricted	3,778,368	-
Component units	482,574	56,147
Statement of Fiduciary Net Assets		
Agency Funds	4,529,089	-
	<u>\$ 32,644,854</u>	<u>\$ 24,467,332</u>

**PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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 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	\$ 2,149,750
Investment Pools	27,767,639
Cash on Hand	177,998
	\$ 30,095,387

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, 2015 the carrying amount of the County’s deposits, including certificates of deposit, was \$3,173,065 and the bank balance was \$4,803,415. Of the bank balance, \$835,417 was covered by federal depository insurance and \$3,967,998 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 fair 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, 2015, deposits with a bank balance of \$3,967,998 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, 2015 the carrying amount of the Commission’s deposits was \$284,270 and the bank balance was \$288,482 and \$250,000 was covered by Federal National Credit Union Administration Insurance.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

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, negotiable certificates of deposits fully covered by FDIC Insurance 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, 2015, 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	\$ 18,373,532	\$ 18,373,532	\$ -
CSAFE	9,343,086	9,343,086	-
Money Market Funds	1,880,275	1,880,275	-
	<u>\$ 29,596,893</u>	<u>\$ 29,596,893</u>	<u>\$ -</u>
<u>Reported as Investments</u>			
U.S. Agency Securities	21,893,321	997,165	-
Negotiable Certificates of Deposit	1,967,539	-	1,967,539
	<u>\$ 23,860,860</u>	<u>\$ 997,165</u>	<u>\$ 22,863,695</u>

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

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, 2015, 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.

**PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE A - CASH AND CASH EQUIVALENTS AND INVESTMENTS, Continued

At December 31, 2015, the County's investment in U.S obligations was rated as follows:

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

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, 2015, cash and cash equivalents and investments of the Plan are reported as follows:

Financial Statement Presentation

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Statement of Fiduciary Funds - Pension Trust Fund	\$ 2,045,290	\$ 121,066,794

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

Demand Deposits	\$ 72,310
Money Market Accounts	1,972,980
	\$ 2,045,290

2. Deposits. At December 31, 2015, the carrying amount of the Plan's deposits was \$72,310 and the bank balance was \$73,567. Of the bank balance, \$73,567 was covered by federal depository insurance.

3. Investments. As of December 31, 2015, the Plan had the following investments and maturities.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

III -DETAILED NOTES FOR ALL FUNDS, Continued

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities Less Than 1 year</u>
Investment Contract with Principal Life Insurance Company	\$ 15,986,148	\$ 15,986,148
Limited Partnership Interest - Grosvenor Institutional Partners	12,605,039	12,605,039
Harbert US Real Estate Fund V	4,983,935	4,983,935
Principal Real Estate Debt Fund	3,274,601	3,274,601
Registered Investment Companies -		
Pimco Total Return Fund Institutional Shares #35	7,783,290	7,783,290
Vanguard Institutional Index Fund #94	19,437,506	19,437,506
Fixed Income Commingled Funds		
JP Morgan Core Bond Fund #3900	6,996,043	6,996,043
Babson Capital Floating Rate Income Fund, L.P.	5,581,927	5,581,927
Domestic Equity Securities	18,890,175	18,890,175
International Equity Securities	1,978,943	1,978,943
International Equity Commingled Funds	23,549,187	23,549,187
	<u>\$121,066,794</u>	<u>\$121,066,794</u>

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.

Investment Policies – Funds of the Plan are managed in accordance with Colorado statutes and any other applicable law, and in compliance with the prudent investor rule. The investment of the Plan’s assets shall be for the exclusive purpose of providing benefits for the participants and their beneficiaries, and paying the Plan’s administrative expenses. The investments shall be prudently selected and properly diversified to fulfill fiduciary responsibilities.

The Plan policy in regard to the allocation of invested assets is established and may be amended by the Board. The following is the Plan’s asset allocation targets as of December 31, 2015:

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

III -DETAILED NOTES FOR ALL FUNDS, Continued

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

Asset Class	Target	Allowable Range
US Equity	30%	25-40%
Non-US Equity	20%	15-25%
Fixed Income	15%	10-20%
Real Estate	20%	15-25%
Hedge Funds	10%	5-15%
Private Equity	5%	0-5%
Cash	0%	0-5%

The following presents investments that represent five percent or more of the Plan's net position as of December 31, 2015:

Investment contract with Principal Life Insurance Company	\$ 15,986,148
Limited Partnership Interest - Grosvenor Institutional Partners	12,605,039
Registered Investment Companies -	
Pimco Total Return Fund Institutional Shares #35	10,376,706
Vanguard Institutional Index Fund #94	19,437,506
International Equity Commingled Funds -	
Mondrian All Cntr Wrld Xus Equity	12,090,261
Vontobel International Equity Fund	11,458,926
Fixed Income Commingled Funds -	
JP Morgan Core Bond Fund #3900	\$ 6,996,043

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE C - RECEIVABLES

Receivables as of December 31, 2015 consist of the following:

Primary Government

	Governmental Activities				Governmental Activities
	General Fund	Social Services	Road and Bridge Fund	Non-Major Governmental Funds	
Receivables:					
Taxes:					
Property Taxes	\$ 38,669,255	\$ 4,534,906	\$ 1,515,365	\$ 4,417,451	\$ 49,136,977
Sales and Use Taxes	2,098,990	-	739,081	118,253	2,956,324
Highway Users Tax	-	-	364,601	-	364,601
Grants	3,143,697	-	96,140	674,302	3,914,139
Notes	2,011,935	-	-	381,208	2,393,143
Interest	60,292	-	-	-	60,292
Other Governments	97,816	2,147,898	583	1,101	2,247,398
Other Agencies	-	-	-	1,400,000	1,400,000
Other	572,635	10,192	23,748	13,506	620,081
	<u>46,654,620</u>	<u>6,692,996</u>	<u>2,739,518</u>	<u>7,005,821</u>	<u>63,092,955</u>
Less: Allowance for Uncollectible Accounts	193,346	22,675	7,577	22,087	245,685
Net Receivables	<u>\$ 46,461,274</u>	<u>\$ 6,670,321</u>	<u>\$ 2,731,941</u>	<u>\$ 6,983,734</u>	<u>\$ 62,847,270</u>

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, 2015 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

	Emergency Telephone Service Authority	Runyon Sports Complex Commission, Inc.	Total
Receivables:			
Other	\$ 67,235	\$ -	\$ 67,235
Net Total Receivables	<u>\$ 67,235</u>	<u>\$ -</u>	<u>\$ 67,235</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

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, 2015:

	Due From Other Funds	Due To Other Funds
Governmental Funds -		
General Fund	\$ 499,535	\$ 248,493
Social Services Fund	-	113,709
Road & Bridge Fund	45,791	85,912
Non-major Governmental Funds	288,949	173,446
Total Governmental Funds	\$ 834,275	\$ 621,560
Enterprise Fund -		
Desert Hawk Golf Course at Pueblo West	-	212,715
	\$ 834,275	\$ 834,275

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, 2015:

	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	-
Non-major Governmental Funds -		
Advance Due to General Fund from:		
Department of Aging Services Fund	-	40,000
Housing and Human Services Fund	-	355,000
	-	395,000
	\$ 395,000	\$ 395,000

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.

**PUEBLO COUNTY, COLORADO
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2015**

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS, Continued

Transfers for the year ended December 31, 2015 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds		
General Fund	\$ 103,025	\$ 1,790,876
Capital Projects Fund	-	25
Non-major Governmental Funds	1,519,513	140,500
Major Enterprise Fund		
Desert Hawk Golf Course at Pueblo West	308,863	-
	<u>\$ 1,931,401</u>	<u>\$ 1,931,401</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, 2015

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	Balance January 1, 2015	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2015
<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	236,810	-	-	236,810
Construction in Progress	8,668,676	1,695,273	(764,799)	9,599,150
Total Capital Assets not being Depreciated	<u>20,806,574</u>	<u>1,695,273</u>	<u>(764,799)</u>	<u>21,737,048</u>
Depreciable Assets:				
Buildings and Improvements	146,764,602	865,529	-	147,630,131
Machinery and Equipment	28,447,367	2,377,929	(1,161,727)	29,663,569
Software Development	7,452,537	613,085	-	8,065,622
Infrastructure	166,541,135	66,277	-	166,607,412
Total Capital Assets being Depreciated	<u>349,205,641</u>	<u>3,922,820</u>	<u>(1,161,727)</u>	<u>351,966,734</u>
Less Accumulated Depreciation for:				
Building and Improvements	(31,986,800)	(4,358,550)	-	(36,345,350)
Machinery and Equipment	(20,032,043)	(1,600,185)	1,017,961	(20,614,267)
Software Development	(5,778,322)	(812,455)	-	(6,590,777)
Infrastructure	(78,179,946)	(5,512,594)	-	(83,692,540)
Total Accumulated Depreciation	<u>(135,977,111)</u>	<u>(12,283,784)</u>	<u>1,017,961</u>	<u>147,242,934</u>
Capital Assets being Depreciated, Net	<u>213,228,530</u>	<u>(8,360,964)</u>	<u>(143,766)</u>	<u>204,723,800</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 234,035,104</u>	<u>\$ (6,665,691)</u>	<u>\$ (908,565)</u>	<u>\$226,460,848</u>

Construction in progress at December 31, 2015 consists of the following amounts:

Various Machinery and Equipment Projects	\$ 5,982,781
Various Infrastructure Projects	<u>3,616,369</u>
	<u>\$ 9,599,150</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE E - CAPITAL ASSETS, Continued

	Balance January 1, 2015	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2015
<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	1,484,405	-	-	1,484,405
Machinery and Equipment	913,443	7,108	(1,210)	919,341
Total Capital Assets being Depreciated	<u>2,759,889</u>	<u>7,108</u>	<u>(1,210)</u>	<u>2,765,787</u>
Less Accumulated Depreciation for:				
Building and Improvements	(279,420)	(9,292)	-	(288,712)
Improvements other than Buildings	(975,104)	(73,967)	-	(1,049,071)
Machinery and Equipment	(785,987)	(40,143)	403	(825,727)
Total Accumulated Depreciation	<u>(2,040,511)</u>	<u>(123,402)</u>	<u>403</u>	<u>(2,163,510)</u>
Capital Assets being Depreciated, Net	<u>719,378</u>	<u>(116,294)</u>	<u>(807)</u>	<u>602,277</u>
Total Business-Type Activities				
Capital Assets, Net	<u>\$ 5,122,061</u>	<u>\$ (116,294)</u>	<u>\$ (807)</u>	<u>\$ 5,004,960</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 3,099,534
Public Safety	2,134,297
Road and Bridge	5,901,088
Health and Welfare	817,667
Culture and Recreation	274,161
Conservation	28,128
Urban Redevelopment and Housing	28,909
Total Depreciation Expense - Governmental Activities	<u>\$ 12,283,784</u>
Business-Type Activities:	
Desert Hawk Golf Course at Pueblo West	\$ 123,402
Total Depreciation Expense, Business-Type Activities	<u>\$ 123,402</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE E - CAPITAL ASSETS, Continued

Construction Commitments

At December 31, 2015, the County had various incomplete machinery and equipment projects and infrastructure and building improvement projects with remaining estimated costs of \$20,186,040. Funding for these projects is to be provided by the proceeds of related grants, future taxes and prior 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, 2015 follows:

	Balance January 1, 2015	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2015
Depreciable Assets:				
Machinery and Equipment	\$ 274,338	\$ 78,454	\$ (60,221)	\$ 292,571
Less Accumulated Depreciation	(180,678)	(39,746)	49,915	(170,509)
Emergency Telephone Service Authority Capital Assets, Net	<u>\$ 93,660</u>	<u>\$ 38,708</u>	<u>\$ (10,306)</u>	<u>\$ 122,062</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, 2015 follows:

	Balance January 1, 2015	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2015
Nondepreciable Assets				
Works of Art	\$ 24,467	\$ -	\$ (24,467)	\$ -
Total Capital Assets Not Being Depreciated	<u>24,467</u>	<u>-</u>	<u>(24,467)</u>	<u>-</u>
Depreciable Assets:				
Machinery and Equipment	241,212	-	(241,212)	-
Less Accumulated Depreciation	(85,195)	-	85,195	-
Capital Assets Being Depreciated, Net	<u>156,017</u>	<u>-</u>	<u>(156,017)</u>	<u>-</u>
Runyon Sports Complex Commission, Inc. Capital Assets, Net	<u>\$ 180,484</u>	<u>\$ -</u>	<u>\$ (180,484)</u>	<u>\$ -</u>

During 2015, all capital assets previously reported by the component unit were contributed to Pueblo County.

**PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

III - DETAILED NOTES FOR ALL FUNDS, Continued

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

Deferred outflows of resources at December 31, 2015 are summarized as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Deferred Amounts on Refunding Pension Related	\$ 251,591	\$ 300,157
	<u>5,132,392</u>	<u>-</u>
Total Deferred Outflows	<u>\$ 5,383,983</u>	<u>\$ 300,157</u>

Deferred inflows of resources at December 31, 2015 are summarized as follows:

	<u>General Fund</u>	<u>Social Services</u>	<u>Road & Bridge</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Property Taxes	\$ 38,475,909	\$ 4,512,231	\$ 1,507,788	\$ 4,395,364	\$ 48,891,292
Unavailable Grant Revenue	<u>637,179</u>	<u>5,000,099</u>	<u>96,139</u>	<u>291,609</u>	<u>6,025,026</u>
Total Governmental Funds	<u>39,113,088</u>	<u>9,512,330</u>	<u>1,603,927</u>	<u>4,686,973</u>	<u>54,916,318</u>
Less: Amounts Recognized as Revenue in the Government- Wide Statements	(121,702)	-	(96,139)	(977)	(218,818)
Pension Related	<u>16,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,130</u>
Total Governmental Activities	<u>\$ 39,007,516</u>	<u>\$ 9,512,330</u>	<u>\$ 1,507,788</u>	<u>\$ 4,685,996</u>	<u>\$ 54,713,630</u>

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

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, 2015:

	Balance January 1, 2015	Increases	Decreases	Balance December 31, 2015	Due Within One Year
<u>Governmental Activities</u>					
General Obligation					
Refunding, Series 2005	\$ 5,050,000	\$ -	\$ (935,000)	\$ 4,115,000	\$ 970,000
Unamortized Premium	76,635	-	(15,852)	60,783	-
Total General Obligation	<u>5,126,635</u>	<u>-</u>	<u>(950,852)</u>	<u>4,175,783</u>	<u>970,000</u>
Certificates of Participation,					
Series 2008	5,610,000	-	(1,310,000)	4,300,000	1,370,000
Unamortized Discount	(30,597)	-	7,812	(22,785)	-
Certificates of Participation,					
Series 2009A	23,600,000	-	-	23,600,000	-
Unamortized Discount	(322,306)	-	13,020	(309,286)	-
Certificates of Participation,					
Series 2009B	3,000,000	-	-	3,000,000	-
Unamortized Discount	(7,650)	-	1,140	(6,510)	-
Certificates of Participation,					
Series 2012	54,470,000	-	(275,000)	54,195,000	280,000
Unamortized Premium	4,003,373	-	(144,300)	3,859,073	-
Total Certificates	<u>90,322,820</u>	<u>-</u>	<u>(1,707,328)</u>	<u>88,615,492</u>	<u>1,650,000</u>
of Participation					
Obligation under Capital Leases	<u>1,170,218</u>	<u>-</u>	<u>(373,670)</u>	<u>796,548</u>	<u>389,840</u>
Compensated Absences	<u>7,990,360</u>	<u>786,479</u>	<u>(892,954)</u>	<u>7,883,885</u>	<u>473,000</u>
Estimated Claims and Judgments					
Self-Insured Claims	1,038,458	1,652,986	(1,495,570)	1,195,874	800,892
Health Insurance Claims*	(742,562)	8,777,752	(8,838,612)	(803,422)	-
Estimated Claims & Judgments Total	<u>295,896</u>	<u>10,430,738</u>	<u>(8,838,592)</u>	<u>392,452</u>	<u>-</u>
Net OPEB Obligation	2,695,154	1,010,549	(283,017)	3,422,686	-
Net Pension Liability	<u>64,595,049</u>	<u>6,210,968</u>	<u>(2,504,768)</u>	<u>68,301,249</u>	<u>-</u>
Total Governmental Activities Long-Term	<u>124,422,908</u>	<u>9,660,982</u>	<u>(8,208,159)</u>	<u>174,391,517</u>	<u>4,283,732</u>
Liabilities					

*Health Insurance Claims resulted in a credit balance beginning in 2014 and continuing through December 31, 2015. This amount is reported on the Statement of Net Position as prepaid expenses.

**PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

	Balance January 1, 2015	Increases	Decreases	Balance December 31, 2015	Due Within One Year
<u>Business-Type Activities</u>					
Refunding Certificates of Participation, Series 2005	\$ 4,790,000	\$ -	\$ (395,000)	\$ 4,395,000	\$ 410,000
Unamortized Discount	(37,684)	-	6,316	(31,368)	-
Total Certificates of Participation	<u>4,752,316</u>	<u>-</u>	<u>(388,684)</u>	<u>4,363,632</u>	<u>410,000</u>
Advances from Other Governments:					
Purchase Option	457,000	-	-	457,000	-
Water Purchase	1,279,813	-	-	1,279,813	-
Non-Interest Bearing Loan	3,577,295	308,863	-	3,886,158	-
Total Advances from Other Governments	<u>5,314,108</u>	<u>308,863</u>	<u>-</u>	<u>5,622,971</u>	<u>-</u>
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 10,066,424</u>	<u>\$ 308,863</u>	<u>\$ (388,684)</u>	<u>\$ 9,986,603</u>	<u>\$ 410,000</u>

Payments on the general obligation bonds are made by the library debt service fund. 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 liability 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

\$ 4,115,000
4,115,000

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

4,300,000

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

\$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	<u>54,195,000</u> <u>85,095,000</u>
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 began January, 2013; debt is serviced by the general fund	421,826
\$880,761 of obligation under capital lease; interest rate of 4.22%; payable in semi-annual installments of \$98,723 including interest through November 2017; lease payments began June 2013; debt is serviced by the general fund	<u>374,722</u> <u>796,548</u>
Other Obligations	
Compensated Absences	7,883,884
Estimated Claims and Judgments	1,195,874
Net OPEB Obligation	3,422,686
Net Pension Liability	<u>68,301,249</u> <u>80,803,693</u>
Total Governmental Activities	<u><u>\$ 170,810,241</u></u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

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, 2015 are as follows:

Year Ending December 31,	Governmental Activities					
	General & Limited Tax Obligation Bonds			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
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	1,045,000	90,737	1,135,737	1,800,000	4,373,790	6,173,790
2019	1,090,000	46,319	1,136,319	1,890,000	4,286,790	6,176,790
2020	-	-	-	1,990,000	4,182,853	6,172,853
2021-2025	-	-	-	11,565,000	19,221,525	30,786,525
2026-2030	-	-	-	14,230,000	16,011,565	30,241,565
2031-2035	-	-	-	17,655,000	11,823,630	29,478,630
2036-2040	-	-	-	22,145,000	6,371,868	28,516,868
2041-2042	-	-	-	10,445,000	789,750	11,234,750
Total	<u>\$ 4,115,000</u>	<u>\$ 430,656</u>	<u>\$ 4,545,656</u>	<u>\$ 85,095,000</u>	<u>\$ 76,038,551</u>	<u>\$ 161,133,551</u>

Year Ending, <u>December 31,</u>	Governmental Activities		
	Capital Leases		
	Principal	Interest	Total
2016	\$ 389,839	\$ 29,974	\$ 419,813
2017	406,709	13,105	419,814
Total	<u>\$ 796,548</u>	<u>\$ 43,079</u>	<u>\$ 839,627</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.

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

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 annual interest on the 2009A certificates for the life of the bonds.

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. \$4,165,000 of bonds previously defeased are still outstanding at December 31, 2015.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

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

\$ 4,395,000

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, 2015 are as follows:

Advance on Purchase Option	457,000
Advance on Water Payments, Non-Interest Bearing	1,279,813
Non-Interest Bearing Loan	<u>3,886,158</u>
	<u>5,622,971</u>
Total Business-Type Activities	<u><u>\$ 10,017,971</u></u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

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, 2015 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Business-Type Activities</u>		
	<u>Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 410,000	\$ 205,740	\$ 615,740
2017	425,000	187,700	612,700
2018	445,000	168,575	613,575
2019	465,000	148,550	613,550
2020	480,000	127,625	607,625
2021-2024	<u>2,170,000</u>	<u>268,000</u>	<u>2,438,000</u>
Total	<u>\$ 4,395,000</u>	<u>\$ 1,106,190</u>	<u>\$ 5,501,190</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. \$4,156,728 of certificates of participation outstanding previously defeased is still outstanding at December 31, 2015.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

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, 2015:

	Governmental Activities
Future Minimum Lease Payments	\$ 839,627
Less: Amounts Representing Interest	(43,079)
	\$ 796,548

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

	Governmental Activities
Assets:	
Buildings and Improvements	\$ 1,874,015
Less: Accumulated Amortization	(437,269)
	\$ 1,436,746

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, 2015 for governmental activities is as follows:

	Governmental Activities
Restricted for:	
TABOR	\$ 2,600,000
Fountain Creek Sediment Loan Reduction Program	3,027,387
Other	
Debt Service	107,077
Federal Forfeiture Funds	51,936
Housing Revolving Loan Fund	422,563
Other Total	581,576
Total Restricted Net Position	\$ 6,208,963

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE H - NET POSITION, Continued

Restricted for TABOR. This represents approximately 3% of the County's estimated 2015 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.

Fountain Creek Sediment Loan Reduction Program. This represents the amount received from Colorado Springs Utilities to be used for future capital and other costs associated with the permit process as follows:

Southern Delivery System Infrastructure	<u>\$ 3,027,387</u>
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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>\$ 107,077</u>
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Restricted Federal Forfeiture Funds. This represents the amount held in the general fund in federal forfeiture accounts to be used for federally approved uses:

Federal Forfeiture Funds	<u>\$ 51,936</u>
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Restricted Housing Revolving Loan Fund. This represents the fund balance in the Pueblo County Housing Fund to be used for HUD approved housing improvement projects:

Housing Revolving Loan Fund	<u>\$ 422,563</u>
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Prior Period Adjustment

Net Position at January 1, 2015 has been restated from amounts previously reported as follows:

	<u>Governmental Activities</u>
Net Position at January 1, 2015, as Previously Reported	\$ 158,239,087
Prior Period Adjustment to Remove Net Pension Obligation	16,079,263
Prior Period Adjustment Resulting from the Implementation of GASB No 68 - <u>Accounting and Financial Reporting for Pensions</u> and GASB No. 71 <u>Pension</u> <u>Transition for Contributions Made Subsequent to Measurement Date</u>	(60,829,742)
Net Position at January 1, 2015, as Restated	<u>\$ 113,488,608</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE I - FUND BALANCES

At December 31, 2015, fund balances for governmental funds consist of the following:

	Governmental Activities				Total Governmental Funds
	General Fund	Social Services	Road and Bridge Fund	Non-Major Governmental Funds	
Nonspendable Fund Balances:					
Inventories	\$ 121,585	\$ -	\$ 385,906	\$ -	\$ 507,491
Prepaid Items	354,422	214,865	1,433	-	570,720
Advances to Other Funds	395,000	-	-	-	395,000
Notes Receivable	2,011,935	-	-	1,400,000	3,411,935
Total Nonspendable Fund Balances:	<u>2,882,942</u>	<u>214,865</u>	<u>387,339</u>	<u>1,400,000</u>	<u>4,885,146</u>
Restricted Fund Balances:					
TABOR	2,600,000	-	-	-	2,600,000
Sheriff Assistance	51,936	-	-	-	51,936
Judicial Building	-	-	-	1,290,340	1,290,340
Debt Service	-	-	-	107,077	107,077
Fountain Creek Sediment Loan Reduction Project	-	-	-	1,737,047	1,737,047
Low and Moderate Income Assistance	-	-	-	422,563	422,563
Total Restricted Fund Balances	<u>2,651,936</u>	<u>-</u>	<u>-</u>	<u>3,557,027</u>	<u>6,208,963</u>
Committed Fund Balances:					
SDS Capital Project	-	-	11,311,931	-	11,311,931
Total Committed Fund Balances	<u>-</u>	<u>-</u>	<u>11,311,931</u>	<u>-</u>	<u>11,311,931</u>
Assigned Fund Balances:					
Health and Welfare Programs	-	1,956,651	-	322,597	2,279,248
County Clerk Technology Improvements	57,844	-	-	-	57,844
Highways and Streets	-	-	4,295,717	210,369	4,506,086
Capital Improvements	-	-	-	320,698	320,698
Sheriff Programs	212,316	-	-	-	212,316
Inmate Enhancement	-	-	-	476,076	476,076
Cultural and Recreation	103,933	-	-	560	104,493
Employee Insurance Reserves	1,485,545	-	-	-	1,485,545
Retirement Benefits	-	-	-	1,025,386	1,025,386
Subsequent Years Expenditures	1,880,010	-	853,040	313,000	3,046,050
Total Assigned Fund Balances	<u>3,739,648</u>	<u>1,956,651</u>	<u>5,148,757</u>	<u>2,668,686</u>	<u>13,513,742</u>
Unassigned Fund Balance	<u>9,172,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,172,295</u>
 Total Fund Balances	<u>\$18,446,821</u>	<u>\$2,171,516</u>	<u>\$16,848,027</u>	<u>\$ 7,625,713</u>	<u>\$ 45,092,077</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

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

At December 31, 2015, the determined estimated liability for self-insured workmen's compensation claims and property and liability claims totaled \$1,195,874, which represents expected losses including 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. Loss Development factors from the latest 9/1/2012 Colorado IRMI published data were applied to the case 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, 2015 and 2014 are as follows:

	Year End December 31,	
	2015	2014
Estimated Claims Liability, January 1	\$ 1,038,458	\$ 1,312,474
Current Year Claims and Changes in Estimates	1,652,986	976,744
Current Year Payments	(1,495,570)	(1,250,760)
Estimated Claims Liability, December 31	\$ 1,195,874	\$ 1,038,458

In addition, settlements did not exceed insurance coverage for each of the past three years.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

IV -OTHER NOTE DISCLOSURES, Continued

NOTE A - RISK MANAGEMENT, Continued

Health Insurance Benefits

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 current year has a surplus of \$803,422, which is reported as a prepaid expense.

Changes in the aggregate self-insured claims liability for health for the years ended December 31, 2015 and 2014 are as follows:

	2015	2014
Estimated Claims Liability, January 1	\$ (742,562)	\$ 126,742
Current Year Claims and Changes in Estimates	8,777,752	7,536,343
Current Year Payments	<u>(8,838,612)</u>	<u>(8,405,647)</u>
Estimated Claims Liability, December 31	<u>\$ (803,422)</u>	<u>\$ (742,562)</u>

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 (the 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.

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.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

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).

An active participant who becomes permanently and totally disabled under the County Long-Term Disability insurance program is entitled to receive a benefit payable at his normal retirement date based on their final average annual compensation prior to disablement and their credit service prior to disablement. Payments will be made for ten years certain and life thereafter.

Employees Covered by Benefit Terms. At December 31, 2015, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	506
Inactive, Nonretired Members	76
Active Members	1,020
Total	1,602

Contributions. The Board establishes contributions based on an actuarially determined contribution rate recommended by an independent actuary pursuant to the plan document. The actuarially determined contribution rate is the estimated amount as a percentage of payroll necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer contributions must at least match member contributions. Member contributions are currently 8.25% of covered salary. Contributions to the pension plan from the County were \$3,829,376 for the year ended December 31, 2015.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

Net Pension Liability

The County's net pension liability was measured as of December 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014.

Actuarial assumptions. The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of December 31, 2014:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Amount, Closed
Remaining Amortization Period	19 years
	Actuarial value that smooth's investment gains and losses over 5 years, constrained to a range of 80%-120% of fair value
Asset Valuation Method	3.0%
Inflation	Graded by service, from 5.5% down to 3.5%
Salary Increases	7.5%, net of pension plan investment expenses. This is based on an average inflation rate of 3.0% and a real rate of return of 4.5%.
Investment Rate of Return	An age-related assumption is used for members not yet receiving payments.
Retirement Age	

Mortality rates were based on the 1994 Group Annuity Mortality Table (healthy) projected to 2010 with Projection Scale AA. Morality rates used for disabled members are based on the 1983 RR Disabled Mortality Table.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015 are summarized in the following table (note that the rates shown exclude the inflation component):

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	6.82 %
International Equity	7.20 %
Hedge Funds-of-Funds	4.34 %
Real Estate	4.83 %
Fixed Income	0.69 %

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy adopted by the Retirement Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2014	\$ 186,870,554	122,803,035	64,067,519
Charges for the year:			
Service Cost	4,526,130	-	4,526,130
Interest	14,004,548	-	14,004,548
Differences Between Expected and Actual Experience	-	-	-
Contributions - Employer	-	3,740,328	(3,740,328)
Contributions - Employee	-	3,740,328	(3,740,328)
Net Investment Income	-	7,550,628	(7,550,628)
Benefit Payments	(9,338,745)	(9,338,745)	-
Administrative Expense	\$ -	\$ (203,244)	\$ 203,244
Net Changes	<u>9,191,933</u>	<u>5,489,295</u>	<u>3,702,638</u>
Balances at 12/31/2015	<u>196,062,487</u>	<u>128,292,330</u>	<u>67,770,157</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the Plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower and one percent higher.

	1% Decrease (6.50%)	Single Discount Rate Assumption (7.50%)	1% Increase (8.50%)
County's Net Pension Liability	\$ 90,593,797	\$ 67,770,157	\$ 48,337,500

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the Plan's annual financial report which can be obtained by writing to the Pueblo County Retirement Board, 215 W. 10th Street, Pueblo, Colorado 81003-2992 or by calling (719)583-6026.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pueblo County Officers and Employees Pension Plan

For the year ended December 31, 2015, the County recognized pension expense of \$ 6,177,126 . At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,265,840	-
Contributions Subsequent to the Measurement Date	3,829,376	-
Total	\$ 5,095,216	\$ -

\$ 3,829,376 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

Year Ended		
2016	\$	316,460
2017		316,460
2018		316,460
2019		316,460
	\$	<u>1,265,840</u>

Payable to the Pension Plan

At December 31, 2015, the County reported a payable of \$ 323,784 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2015.

Colorado Public Employees Retirement Association (PERA)

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

Benefits Provided. PERA provides retirement, disability and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which members retire, the benefit option selected at retirement and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713 and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annualized into a monthly benefit based on life expectancy and other actuarial factors.

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

PERA employers, waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts, depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases as outlined in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year.

Benefit recipients under the PERA benefit structure who began employment after January 1, 2007 receive an annual increase of the lessor of 2% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve for the SDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions. The District Attorney and the County are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below (rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42)):

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

	Rate
Employer Contribution Rate	10.15 %
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount Apportioned to the SDTF	9.13 %
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	3.80 %
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. §24-51-411	3.50 %
Total Employer Contribution Rate to the SDTF	16.43 %

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the County is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the County were \$ 24,979 for the year ended December 31, 2015.

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

At December 31, 2015 the County reported a liability of \$ 531,092 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The County's proportion of the net pension liability was based on the County's contributions to the SDTF for the calendar year 2014 relative to the total contributions of participating employers to the SDTF.

At December 31, 2014, the County's proportion was 0.005646 %, which was a decrease of 0.000276 % from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the County recognized pension expense of \$ 33,842 . At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 39
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,829	-
Changes in Proportionate Share Difference Between Contributions Recognized and Proportionate Share of Contributions	-	16,019
Contributions Subsequent to the Measurement Date	26,347	-
Total	\$ 37,176	\$ 16,130

\$ 26,347 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
2016	\$ (5,919)
2017	(4,797)
2018	2,707
2019	2,708
	\$ (5,301)

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

Price Inflation	2.80 %
Real Wage Growth	1.10 %
Wage Inflation	3.90 %
Salary Increase, Including Wage Inflation	3.90 - 9.57%
Long-term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.50 %
PERA Benefit Structure hired prior to 01/01/2007 (automatic)	2.00 %
PERA Benefit Structure hired after 12/31/2006 (ad hoc, substantively automatic)	Financed by the Annual Increase

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with males set back one year, and females set back two years.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The SDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Geometric Real Rate of Return</u>
U.S. Equity - Large Cap	26.76 %	5.00 %
U.S. Equity - Small Cap	4.40 %	5.19 %
Non U.S. Equity - Developed	22.06 %	5.29 %
Non U.S. Equity - Emerging	6.24 %	6.76 %
Core Fixed Income	24.05 %	0.98 %
High Yield	1.53 %	2.64 %
Long Duration Gov't/Credit	0.53 %	1.57 %
Emerging Market Bonds	0.43 %	3.04 %
Real Estate	7.00 %	5.09 %
Private Equity	7.00 %	7.15 %
Total	<u>100.00 %</u>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop .50% every year until they are 0. Based on those assumptions, the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.50%) or 1% higher (8.50%) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Proportionate Share of the Net Pension Liability	\$ 680,988	\$ 531,092	\$ 405,009

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

Pension Plan Fiduciary Net Position. Detailed information about the SDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Other Post-Employment Benefits PERA

HEALTH CARE TRUST FUND

Plan Description. The County contributed to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy. The County is required to contribute a rate of 1.02% of the PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the County are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2015, 2014 and 2013, the County contributions to the HCTF were \$1,551, \$1,551 and \$1,555, respectively, equal to their required contributions for each year.

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, 2015, the County contributed \$283,017 to the plan.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

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	\$ 1,057,801
Interest on Net OPEB Obligation	94,331
Adjustment to Annual Required Contribution	<u>(141,583)</u>
Annual OPEB Obligation	<u>1,010,549</u>
Contributions Made	<u>(283,017)</u>
Increase in Net OPEB Obligation	727,532
Net OPEB Obligation, Beginning of Year	<u>2,695,154</u>
Net OPEB Obligation, End of Year	<u><u>\$ 3,422,686</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
2013	\$ 301,801	\$ 86,085	28.52 %	\$ 1,957,451
2014	966,607	228,904	23.70 %	2,695,154
2015	\$ 1,010,549	\$ 283,017	28.00 %	\$ 3,422,686

Funded Status and Funding Progress. As of January 1, 2015, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$9,295,870, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,295,870. The covered payroll (annual payroll of active employees covered by the plan) was \$43,386,868, and the ratio of the UAAL to the covered payroll was 21.43%.

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

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, 2015 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 3.5% 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 (HCCTR) of 9.5% in the initial year, 9.0% for the second year, and reduced by decrements to an ultimate rate of 4.5% in 2024. 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 inflation rate assumption has two parts. The assumed rates of increase applied to retiree premiums are same as HCCTR. The assumed rate of annual payroll growth is 3.3%. The remaining amortization period at December 31, 2015 was 30 years.

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

IV -OTHER NOTE DISCLOSURES, Continued

NOTE C - OTHER REPORTING ENTITY DISCLOSURES

STATEMENT OF NET POSITION

Condensed Financial Statements – Discretely Presented Component Units

	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc.	Total
ASSETS			
Cash and Cash Equivalents	\$ 254,450	\$ 228,124	\$ 482,574
Investments	-	56,147	56,147
Other Receivables, Net	67,235	-	67,235
Capital Assets:			
Machinery and Equipment	292,571	-	292,571
Less Accumulated Depreciation	(170,509)	-	(170,509)
Total Capital Assets, net	<u>122,062</u>	<u>-</u>	<u>122,062</u>
TOTAL ASSETS	<u>443,747</u>	<u>284,271</u>	<u>728,018</u>
LIABILITIES			
Accounts Payable and Accrued Expenses	<u>27,360</u>	<u>2,129</u>	<u>29,489</u>
TOTAL LIABILITIES	<u>27,360</u>	<u>2,129</u>	<u>29,489</u>
NET POSITION			
Net Investment in Capital Assets	122,062	-	122,062
Unrestricted	<u>294,325</u>	<u>282,142</u>	<u>576,467</u>
TOTAL NET POSITION	<u>\$ 416,387</u>	<u>\$ 282,142</u>	<u>\$ 698,529</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

IV -OTHER NOTE DISCLOSURES, Continued

NOTE C - OTHER REPORTING ENTITY DISCLOSURES, Continued

STATEMENT OF ACTIVITIES

Condensed Financial Statements – Discretely Presented Component Units

	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc	Total
	<u> </u>	<u> </u>	<u> </u>
EXPENSES:			
Public Safety:			
Administration	\$ 621,772	\$ -	\$ 621,772
Depreciation	39,746	-	39,746
Loss on Disposal of Assets	10,306	-	10,306
Culture and Recreation:			
Baseball Park Operations:			
Personnel Services	-	319,504	319,504
Supplies	-	219,078	219,078
Professional Services	-	16,431	16,431
Insurance	-	22,607	22,607
Administrative Costs	-	31,250	31,250
Loss From Disposition of Capital Assets	-	251,856	251,856
TOTAL EXPENSES	<u>671,824</u>	<u>860,726</u>	<u>1,532,550</u>
PROGRAM REVENUES:			
Charges for Services	476,984	548,435	1,025,419
Operating Grants & Contributions	-	104,118	104,118
TOTAL PROGRAM REVENUES	<u>476,984</u>	<u>652,553</u>	<u>1,129,537</u>
NET (EXPENSE) REVENUE	(194,840)	(208,173)	(403,013)
GENERAL REVENUES			
Interest Income	714	479	1,193
TOTAL GENERAL REVENUES	<u>714</u>	<u>479</u>	<u>1,193</u>
CHANGE IN NET POSITION	<u>(194,126)</u>	<u>(207,694)</u>	<u>(401,820)</u>
NET POSITION, Beginning of Year	<u>610,513</u>	<u>489,836</u>	<u>1,100,349</u>
NET POSITION, End of Year	<u>\$ 416,387</u>	<u>\$ 282,142</u>	<u>\$ 698,529</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

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 Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 470,020	\$ 548,435	\$ 1,018,455
Payments to Suppliers	(328,428)	(290,030)	(618,458)
Payments to Employees	(340,566)	(319,504)	(660,070)
Net Cash Used by Operating Activities	<u>(198,974)</u>	<u>(61,099)</u>	<u>(260,073)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Grants & Contributions	<u>-</u>	<u>126,618</u>	<u>126,618</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	<u>(78,454)</u>	<u>(71,372)</u>	<u>(149,826)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(78,454)</u>	<u>(71,372)</u>	<u>(149,826)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments	-	(163)	(163)
Interest Received	714	479	1,193
Net Cash Provided (Used) by Investing Activities	<u>714</u>	<u>316</u>	<u>1,030</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(276,714)	(5,537)	(282,251)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	531,164	233,661	764,825
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 254,450</u>	<u>\$ 228,124</u>	<u>\$ 482,574</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(184,534)	(60,435)	(244,969)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	39,746	-	39,746
Change in Assets and Liabilities -			
Accounts Receivable	(6,962)	-	(6,962)
Accounts Payable and Accrued Expenses	(47,224)	(664)	(47,888)
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (198,974)</u>	<u>\$ (61,099)</u>	<u>\$ (260,073)</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

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 \$959,300 for 2015. 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 101 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, 2015

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 2015, the County appropriated \$176,000 to the Authority. Complete financial statements for the Authority can be obtained from their administrative office located at 125 Riverwalk Place, 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 2015, the County appropriated \$37,733 to PACOG.

NOTE D - COMMITMENTS AND CONTINGENCIES

1. 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, 2015.

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, 2015:

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

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	\$ 4,928,866	\$ (20,212)	\$ -	\$ 72,774	\$ 4,981,428	\$ 72,774
Low-Income Energy Assistance Program	4,100,929	-	-	340,318	4,441,247	340,318
Colorado Works Temporary Assistance for Needy Families	9,568,275	(1,231,285)	-	3,224,996	11,561,986	3,224,996
Adult Protective Services	-	-	11,702	492,167	492,167	503,869
Regular Administration*	81,183	(280)	50,426	6,116,725	6,197,628	6,167,151
Special Child Welfare	-	-	-	1,031,408	1,031,408	1,031,408
Child Welfare	5,630,364	(178,477)	98,343	7,858,125	13,310,012	7,956,468
Core Services	548,161	-	59,347	906,109	1,454,270	965,456
Aid to the Needy Disabled	2,744,838	(337,695)	-	504,718	2,911,861	504,718
Child Care	2,245,908	(4,162)	-	582,877	2,824,623	582,877
Medical Transportation	-	-	-	346,424	346,424	346,424
Aid to the Blind	-	-	-	-	-	-
Single Entry Point	-	-	-	1,836,423	1,836,423	1,836,423
Child Support Enforcement	-	(6,112)	9,842	2,032,149	2,026,037	2,041,991
Special IV-E Funds	-	-	140,430	-	-	140,430
General Assistance	-	-	-	1,134	1,134	1,134
Collaborative Mgt HB1451	-	-	-	166,683	166,683	166,683
County Only/EPSTDT Grant	-	-	-	183,397	183,397	183,397
Subtotal	29,848,524	(1,778,223)	370,090	25,696,427	53,766,728	26,066,517
Food Assistance	57,444,702	(466,560)	-	-	56,978,142	-
Total	<u>\$ 87,293,226</u>	<u>\$(2,244,783)</u>	<u>\$ 370,090</u>	<u>\$ 25,696,427</u>	<u>\$ 110,744,870</u>	<u>\$ 26,066,517</u>

* Regular Administration includes: County Administration Block Grant, Non-Allocated Programs, Food Assistance Fraud, Employment First, Chafee 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, 2015**

IV -OTHER NOTE DISCLOSURES, Continued

NOTE D - COMMITMENTS AND CONTINGENCIES, Continued

2. Encumbrances. 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. Encumbrances outstanding at December 31, 2015 for governmental funds are as follows:

General Fund	\$ 516,141
Social Services	65,512
Road & Bridge	211,717
Non-Major Funds	<u>5,373</u>
	<u>\$ 798,743</u>

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, 2015, totaled \$4,115,000. 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, 2015, the County’s debt limit was \$359,285,902 and the debt margin was \$359,285,902.

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, 2015, there were several series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$24,859,599.

6. Operating Leases. The County has entered into various non-cancelable operating leases for property and equipment; however, all of these leases are subject to annual appropriation by the Board of County Commissioners. Expenditures/Expenses incurred in 2015 for operating leases were \$802,956 in the governmental funds and \$0 in the proprietary fund.

**PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

IV -OTHER NOTE DISCLOSURES, Continued

NOTE D - COMMITMENTS AND CONTINGENCIES, Continued

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>
2016	\$ 832,177
2017	522,813
2018	128,652
2019	15,552
	<u>\$ 1,499,194</u>

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.

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. The County's 2013, 2014 and 2015 installments were reduced to \$100,000 but no modification to the original commitment has been authorized by the Board of County Commissioners.

9. Subsequent Events. Subsequent to December 31, 2015, 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 \$18,673,437.

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

PUEBLO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property Taxes, Net	\$ 38,079,891	\$ 38,079,891	\$ 38,343,560	\$ 263,669
Specific Ownership Taxes	3,077,000	3,077,000	3,489,932	412,932
Sales and Use Taxes	12,610,000	12,610,000	14,065,090	1,455,090
Fees and Fines	27,500	27,500	140,838	113,338
Licenses and Permits	704,213	704,213	1,167,116	462,903
Intergovernmental	10,107,042	11,107,042	10,173,063	(933,979)
Charges for Services	6,635,719	6,635,719	6,948,830	313,111
Investment Earnings	139,400	139,400	270,507	131,107
Change in Market Value of Investments	-	-	30,903	30,903
Miscellaneous	838,349	838,349	896,776	58,427
Unidentified	200,000	200,000	-	(200,000)
TOTAL REVENUES	72,419,114	73,419,114	75,526,615	2,107,501
EXPENDITURES				
Current:				
General Government:				
County Commissioners	907,352	907,352	728,096	179,256
Other Administration	5,301,162	5,301,162	6,511,579	(1,210,417)
County Attorney	1,038,008	1,203,008	1,260,591	(57,583)
County Surveyor	7,100	7,100	10,999	(3,899)
County Clerk/Recorder	1,623,168	1,623,168	1,653,330	(30,162)
Election	836,451	836,451	628,129	208,322
Treasurer	828,820	828,820	819,982	8,838
Assessor	1,463,175	1,463,175	1,392,104	71,071
District Attorney	3,849,721	3,849,721	3,841,050	8,671
Office of Budget	640,080	640,080	573,948	66,132
Purchasing	187,359	187,359	186,064	1,295
Human Resources	416,645	416,645	407,876	8,769
Planning/Development	716,611	716,611	832,357	(115,746)
Information Technology	2,427,118	2,427,118	2,212,929	214,189
Fleet/Equipment Management	1,266,767	1,266,767	942,086	324,681
Facilities	2,968,487	2,968,487	2,731,669	236,818
Utilities Department	1,626,800	1,626,800	1,891,458	(264,658)
IS Shared Services	118,461	118,461	60,489	57,972
Graphical Information Systems	667,336	667,336	658,422	8,914
Total General Government	26,890,621	27,055,621	27,343,158	(287,537)

PUEBLO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget - Positive
	Original	Final		(Negative)
Public Safety:				
Law Enforcement	\$ 7,667,546	\$ 7,667,546	\$ 7,939,933	\$ (272,387)
Detention	14,346,526	14,346,526	14,442,469	(95,943)
Dispatch Center	850,355	850,356	706,479	143,877
County Coroner	628,500	628,500	610,495	18,005
Correctional Services	3,156,188	3,156,188	1,892,052	1,264,136
DEM/PS&O	1,008,066	1,008,066	901,455	106,611
DEM/CSEPP	4,094,299	5,094,299	4,091,185	1,003,114
Total Public Safety	<u>31,751,480</u>	<u>32,751,481</u>	<u>30,584,068</u>	<u>2,167,413</u>
Health and Welfare:				
Community Health Assistance	1,949,000	1,949,000	1,910,662	38,338
Veterans Administration	121,500	121,500	121,147	353
Total Health and Welfare	<u>2,070,500</u>	<u>2,070,500</u>	<u>2,031,809</u>	<u>38,691</u>
Culture and Recreation:				
Recreation	187,674	187,674	171,754	15,920
Public Works and Parks	276,095	276,095	260,597	15,498
Total Culture and Recreation:	<u>463,769</u>	<u>463,769</u>	<u>432,351</u>	<u>31,418</u>
Conservation:				
CSU Extension	814,602	814,602	808,919	5,683
Total Conservation	<u>814,602</u>	<u>814,602</u>	<u>808,919</u>	<u>5,683</u>
Economic Development Assistance:				
Economic Development	4,779,866	4,779,866	4,496,262	283,604
Total Economic Development	<u>4,779,866</u>	<u>4,779,866</u>	<u>4,496,262</u>	<u>283,604</u>
Intergovernmental				
Aid to Other Entities	1,111,163	1,111,163	940,218	170,945
Total Intergovernmental	<u>1,111,163</u>	<u>1,111,163</u>	<u>940,218</u>	<u>170,945</u>
Debt Service:				
Principal	1,958,700	1,958,700	1,958,670	30
Interest and Fiscal Charges	4,648,081	4,648,081	4,644,128	3,953
Total Debt Service	<u>6,606,781</u>	<u>6,606,781</u>	<u>6,602,798</u>	<u>3,983</u>
TOTAL EXPENDITURES	<u>74,488,782</u>	<u>75,653,783</u>	<u>73,239,583</u>	<u>2,414,200</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (2,069,668)</u>	<u>\$ (2,234,669)</u>	<u>\$ 2,287,032</u>	<u>\$ 4,521,701</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	378,000	378,000	103,025	(274,975)
Transfers Out	(1,121,258)	(1,821,258)	(1,790,876)	30,382
TOTAL OTHER FINANCING SOURCES (USES)	<u>(743,258)</u>	<u>(1,443,258)</u>	<u>(1,687,851)</u>	<u>(244,593)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,812,926)</u>	<u>\$ (3,677,927)</u>	<u>\$ 599,181</u>	<u>\$ 4,277,108</u>
FUND BALANCE - January 1	<u>18,250,216</u>	<u>18,250,216</u>	<u>16,163,547</u>	<u>(2,086,669)</u>
FUND BALANCE - December 31	<u>\$ 15,437,290</u>	<u>\$ 14,572,289</u>	<u>\$ 16,762,728</u>	<u>\$ 2,190,439</u>

**PUEBLO COUNTY, COLORADO
RECONCILIATION OF THE BUDGETARY BASIS OF ACCOUNTING
TO GAAP BASIS OF ACCOUNTING
GENERAL FUND
YEAR ENDED DECEMBER 31, 2015**

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)

EXPENDITURES

Actual Amounts (Budgetary Basis) Total Expenditures from the Budgetary Comparison Schedule	\$ 73,239,583
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.	588,857
GAAP Basis Expenditures	<u>\$ 73,828,440</u>
FUND BALANCE, December 31	
Actual (non-GAAP Basis) Amount	\$ 16,762,728
Differences - Budget to GAAP	
Notes Receivable	2,011,935
Unrealized Gain (Loss) on Investments	<u>(327,842)</u>
GAAP Basis Fund Balance, December 31	<u>\$ 18,446,821</u>

**PUEBLO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
SOCIAL SERVICES SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Budget Basis</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes, Net	\$ 3,479,198	\$ 3,479,198	\$ 3,503,992	\$ 24,794
Specific Ownership Taxes	384,800	384,800	318,589	(66,211)
Intergovernmental	20,942,838	21,042,838	21,144,137	101,299
Miscellaneous	76,609	76,609	50,527	(26,082)
TOTAL REVENUES	<u>24,883,445</u>	<u>24,983,445</u>	<u>25,017,245</u>	<u>33,800</u>
EXPENDITURES				
Administration	6,170,531	6,170,531	6,791,980	(621,449)
Single Entry Point	1,839,358	1,839,358	1,836,426	2,932
Special Child Welfare	1,148,037	1,148,037	1,031,407	116,630
General Assistance	1,000	1,000	1,134	(134)
Temporary Assistance to Needy Families	1,912,495	1,912,495	1,239,381	673,114
Aid to Needy Disabled	450,000	450,000	504,718	(54,718)
Administration IV-D	2,075,341	2,075,341	2,041,993	33,348
One Time Grants	-	-	19,470	(19,470)
Child Care	699,520	699,520	582,877	116,643
Old Age Pension	47,462	47,462	72,773	(25,311)
LEAP Program	384,064	384,064	340,317	43,747
Core Services	1,029,522	1,029,522	965,454	64,068
Child Welfare	7,340,185	7,440,185	7,859,276	(419,091)
Temporary Assistance to Needy Families Administration	2,299,130	2,299,130	1,985,614	313,516
Title IV-E Child Welfare	70,000	70,000	97,193	(27,193)
Medicaid Transportation	160,000	160,000	346,424	(186,424)
EPSDT Contract	274,072	274,072	350,080	(76,008)
TOTAL EXPENDITURES	<u>25,900,717</u>	<u>26,000,717</u>	<u>26,066,517</u>	<u>(65,800)</u>
NET CHANGE IN FUND BALANCE	(1,017,272)	(1,017,272)	(1,049,272)	(32,000)
FUND BALANCE - January 1	<u>2,965,932</u>	<u>2,965,932</u>	<u>3,220,788</u>	<u>254,856</u>
FUND BALANCE - December 31	<u>\$ 1,948,660</u>	<u>\$ 1,948,660</u>	<u>\$ 2,171,516</u>	<u>\$ 222,856</u>

PUEBLO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE FUND
YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property Taxes, Net	\$ 1,454,071	\$ 1,454,071	\$ 1,465,256	\$ 11,185
Specific Ownership Taxes	121,200	121,200	130,046	8,846
Sales and Use Taxes	3,877,400	3,877,400	4,112,722	235,322
State Highway Users Tax	4,700,000	4,700,000	4,916,568	216,568
Licenses and Permits	2,500	2,500	3,880	1,380
Intergovernmental	1,913,560	1,913,560	405,804	(1,507,756)
Charges for Services	16,000	16,000	-	(16,000)
Investment Earnings	5,000	5,000	21,551	16,551
Other Revenues	10,000	10,000	8,120	(1,880)
Total Revenues	<u>12,099,731</u>	<u>12,099,731</u>	<u>11,063,947</u>	<u>(1,035,784)</u>
Expenditures				
Highways and Streets	7,605,946	7,605,946	6,275,175	1,330,771
Capital Outlay	7,574,625	7,574,625	2,100,306	5,474,319
Intergovernmental	1,831,700	1,831,700	1,883,910	(52,210)
Total Expenditures	<u>17,012,271</u>	<u>17,012,271</u>	<u>10,259,391</u>	<u>6,752,880</u>
Net Change in Fund Balances	(4,912,540)	(4,912,540)	804,556	(7,788,664)
Fund Balances - January 1	15,488,430	15,488,430	16,043,471	555,041
Fund Balance - December 31	<u><u>\$ 10,575,890</u></u>	<u><u>\$ 10,575,890</u></u>	<u><u>\$ 16,848,027</u></u>	<u><u>\$(7,233,623)</u></u>

PUEBLO COUNTY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015

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.
4. Generally, The County uses the modified accrual basis and current resources measurement focus as its budgetary basis of accounting.

PUEBLO COUNTY, COLORADO
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION
LIABILITY AND RELATED RATIOS
PUEBLO COUNTY OFFICERS AND EMPLOYEES PENSION PLAN
YEAR ENDED DECEMBER 31, 2015

	2015
Total Pension Liability	
Service Cost	\$ 4,526,130
Interest	14,004,548
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	(9,338,745)
Net Change in Total Pension Liability	9,191,933
Total Pension Liability - Beginning	186,870,554
Total Pension Liability - Ending (a)	\$ 196,062,487
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 3,740,328
Contributions - Employee	3,740,328
Net Investment Income	7,550,628
Benefit Payments, Including Refunds of Employee Contributions	(9,338,745)
Administrative Expense	(203,244)
Net Change in Plan Fiduciary Net Position	5,489,295
Plan Fiduciary Net Position - Beginning	122,803,035
Plan Fiduciary Net Position - Ending (b)	\$ 128,292,330
 County's Net Position Liability - Ending (a) - (b)	\$ 67,770,157
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.43 %
 Covered-Employee Payroll	\$ 44,584,080
 County's Net Pension Liability as a Percentage of Covered-Employee Payroll	152.01 %

**PUEBLO COUNTY, COLORADO
SCHEDULE OF COUNTY'S CONTRIBUTIONS
PUEBLO COUNTY OFFICERS AND EMPLOYEES' PENSION PLAN
YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>
Actuarially Determined Contribution	\$ 7,381,676
Contributions in Relation to the Actuarially Required Contribution	<u>3,740,328</u>
Contribution Deficiency (Excess)	\$ <u>3,641,348</u>
County's Covered - Employee Payroll	\$ 44,584,080
Contributions as a Percentage of Covered - Employee Payroll	8.39 %

PUEBLO COUNTY, COLORADO
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
COLORADO PUBLIC EMPLOYEE'S RETIREMENT ASSOCIATION
STATE DIVISION TRUST FUND
YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>
County's Proportion of the Net Pension Liability	.005646%
County's Proportionate Share of the Net Pension Liability	531,092
County's Covered - Employee Payroll	152,030
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered - Employee Payroll	349.33 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.80 %

**PUEBLO COUNTY, COLORADO
SCHEDULE OF COUNTY'S CONTRIBUTIONS
COLORADO PUBLIC EMPLOYEE'S RETIREMENT ASSOCIATION
STATE DIVISION TRUST FUND
YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>
Contractually Required Contribution	\$ 24,979
Contributions in Relation to the Contractually Required Contribution	<u>24,979</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
County's Covered - Employee Payroll	152,030
Contributions as a Percentage of Covered - Employee Payroll	16.43 %

**PUEBLO COUNTY, COLORADO
SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS PLAN
YEAR ENDED DECEMBER 31, 2015**

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, 2013	\$ -	\$ 2,922,131	\$ 2,922,131	0.00 %	\$ 44,008,276	6.64 %
January 1, 2014	-	8,680,004	8,680,004	0.00 %	42,000,840	20.67 %
January 1, 2015	-	9,295,870	9,295,870	0.00 %	43,386,868	21.43 %

SUPPLEMENTAL INFORMATION

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PUEBLO COUNTY, COLORADO
EXPLANATION OF FUNDS
DECEMBER 31, 2015

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 **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.

PUEBLO COUNTY, COLORADO
EXPLANATION OF FUNDS
DECEMBER 31, 2015

NON-MAJOR GOVERNMENTAL FUNDS, continued

Capital Projects Funds

The **Capital Expenditure Fund** is used to account for general capital expenditures and was established on April 5, 1984 by the Colorado General Assembly to replace the public works fund. Financing sources have been from grants, dedicated mill levies and sales taxes.

The **Capital Projects Fund** is used to account for expenditures associated with the construction of new buildings. Financing sources have been from bond issuances and grants.

Debt Service Fund

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.

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 **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.

NON-MAJOR GOVERNMENTAL FUNDS

**PUEBLO COUNTY, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	Special Revenue				
	Employee Retirement	Board of Developmental Disabilities	Pueblo County Housing	Conservation Trust	Department of Aging Services
ASSETS					
Cash and Cash Equivalents	\$ 581,965	\$ 5,988	\$ 91,355	\$ 102,447	\$ 120,270
Investments	669,135	-	-	-	-
Receivables, Net					
Taxes	2,846,985	416,709	-	-	-
Grants	-	-	-	-	322,113
Notes	-	-	381,208	-	-
Due from Other Governments	1,101	-	-	-	-
Other Agencies	-	-	-	-	-
Other	-	161	-	-	-
Inventories	-	-	-	-	-
Due from Other Funds	97,447	-	-	1,113	-
Cash and Cash Equivalents - Restricted	-	-	-	-	-
TOTAL ASSETS	\$ 4,196,633	\$ 422,858	\$ 472,563	\$ 103,560	\$ 442,383
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 324,061	\$ -	\$ -	\$ -	\$ 307,767
Due to Other Funds	201	-	50,000	103,000	1,740
Other Accrued Liabilities	-	-	-	-	35
Advance from Other Funds	-	-	-	-	40,000
TOTAL LIABILITIES	324,262	-	50,000	103,000	349,542
DEFERRED INFLOWS OF RESOURCES	2,846,985	416,709	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	422,563	-	-
Assigned	1,025,386	6,149	-	560	92,841
TOTAL FUND BALANCES	1,025,386	6,149	422,563	560	92,841
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,196,633	\$ 422,858	\$ 472,563	\$ 103,560	\$ 442,383

Special Revenue (Continued)				Capital Projects		Debt Service		Total Non-major Governmental Funds
Housing and Human Services	Detention Commissary	Subdivision Park Site Fee	Fire Hydrant Impact Fee	Capital Expenditure	Capital Projects	Library Debt Service		
\$ 498,837	\$ 483,506	\$ 117,403	\$ 92,966	\$ 461,802	\$ -	\$ 107,227	\$ 2,663,766	
-	-	-	-	-	-	-	669,135	
-	-	-	-	118,253	-	1,131,670	4,513,617	
352,189	-	-	-	-	-	-	674,302	
-	-	-	-	-	-	-	381,208	
-	-	-	-	-	-	-	1,101	
-	-	-	-	1,400,000	-	-	1,400,000	
13,345	-	-	-	-	-	-	13,506	
189,872	-	-	-	-	-	-	189,872	
190,389	-	-	-	-	-	-	288,949	
-	-	-	-	1,864,339	1,290,340	-	3,154,679	
<u>\$ 1,244,632</u>	<u>\$ 483,506</u>	<u>\$ 117,403</u>	<u>\$ 92,966</u>	<u>\$ 3,844,394</u>	<u>\$ 1,290,340</u>	<u>\$ 1,238,897</u>	<u>\$ 13,950,135</u>	
\$ 355,369	\$ 7,430	\$ -	\$ -	\$ 73,649	\$ -	\$ 150	\$ 1,068,426	
18,505	-	-	-	-	-	-	173,446	
542	-	-	-	-	-	-	577	
355,000	-	-	-	-	-	-	395,000	
<u>729,416</u>	<u>7,430</u>	<u>-</u>	<u>-</u>	<u>73,649</u>	<u>-</u>	<u>150</u>	<u>1,637,449</u>	
291,609	-	-	-	-	-	1,131,670	4,686,973	
-	-	-	-	1,400,000	-	-	1,400,000	
-	-	-	-	1,737,047	1,290,340	107,077	3,557,027	
223,607	476,076	117,403	92,966	633,698	-	-	2,668,686	
<u>223,607</u>	<u>476,076</u>	<u>117,403</u>	<u>92,966</u>	<u>3,770,745</u>	<u>1,290,340</u>	<u>107,077</u>	<u>7,625,713</u>	
<u>\$ 1,244,632</u>	<u>\$ 483,506</u>	<u>\$ 117,403</u>	<u>\$ 92,966</u>	<u>\$ 3,844,394</u>	<u>\$ 1,290,340</u>	<u>\$ 1,238,897</u>	<u>\$ 13,950,135</u>	

PUEBLO COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES

NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2015

	Special Revenue				
	Employee Retirement	Board of Developmental Disabilities	Pueblo County Housing	Conservation Trust	Department of Aging Services
REVENUES					
Taxes:					
Property Taxes, Net	\$2,766,623	\$ 404,953	\$ -	\$ -	-
Specific Ownership Taxes	245,549	35,941	-	-	-
Sales and Use Taxes	-	-	-	-	-
Intergovernmental	20	3	58,136	352,878	1,895,831
Charges for Services	-	-	-	-	-
Investment Earnings	-	-	98	1,113	373
Contributions and Private Grants	-	-	-	-	-
Other Revenues	-	-	75	-	-
TOTAL REVENUES	3,012,192	440,897	58,309	353,991	1,896,204
EXPENDITURES					
Current:					
General Government	2,717,835	-	-	-	-
Public Safety	-	-	-	-	-
Health and Welfare	-	443,251	-	-	1,834,119
Culture and Recreation	-	-	-	277,000	-
Urban Development and Housing	-	-	65,952	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	4,759
TOTAL EXPENDITURES	2,717,835	443,251	65,952	277,000	1,838,878
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	294,357	(2,354)	(7,643)	76,991	57,326
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	(103,000)	(37,500)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(103,000)	(37,500)
NET CHANGE IN FUND BALANCES	294,357	(2,354)	(7,643)	(26,009)	19,826
FUND BALANCES - January 1	731,029	8,503	430,206	26,569	73,015
FUND BALANCES - December 31	\$1,025,386	\$ 6,149	\$ 422,563	\$ 560	\$ 92,841

Special Revenue (Continued)				Capital Projects		Debt Services	Total Non-major Governmental Funds
Housing and Human Services	Detention Commissary	Subdivision Park Site Fee	Fire Hydrant Impact Fee	Capital Expenditure	Capital Projects	Library Debt Service	
\$ -	\$ -	\$ -	\$ -	\$ 59	\$ -	\$ 1,138,545	\$ 4,310,180
-	-	-	-	-	-	-	281,490
-	-	-	-	658,036	-	-	658,036
2,476,505	-	-	-	-	-	8	4,783,381
-	184,096	-	-	-	-	-	184,096
-	-	204	160	3,324	1,151	-	6,423
354,280	-	-	-	-	-	-	354,280
22,936	-	76	4,875	-	-	-	27,962
<u>2,853,721</u>	<u>184,096</u>	<u>280</u>	<u>5,035</u>	<u>661,419</u>	<u>1,151</u>	<u>1,138,553</u>	<u>10,605,848</u>
2,499	-	-	-	-	-	-	2,720,334
-	155,106	-	-	-	-	-	155,106
1,520,978	-	-	-	-	-	-	3,798,348
56,743	-	-	-	-	-	-	333,743
2,158,177	-	-	-	-	-	-	2,224,129
-	-	-	-	-	-	935,000	935,000
-	-	-	-	-	-	202,538	202,538
9,827	48,532	-	-	1,455,775	275,299	-	1,794,192
<u>3,748,224</u>	<u>203,638</u>	<u>-</u>	<u>-</u>	<u>1,455,775</u>	<u>275,299</u>	<u>1,137,538</u>	<u>12,163,390</u>
<u>(894,503)</u>	<u>(19,542)</u>	<u>280</u>	<u>5,035</u>	<u>(794,356)</u>	<u>(274,148)</u>	<u>1,015</u>	<u>(1,557,542)</u>
827,889	-	-	-	691,624	-	-	1,519,513
-	-	-	-	-	(25)	-	(140,525)
<u>827,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>691,624</u>	<u>(25)</u>	<u>-</u>	<u>1,378,988</u>
(66,614)	(19,542)	280	5,035	(102,732)	(274,173)	1,015	(178,554)
290,221	495,618	117,123	87,931	3,873,477	1,564,513	106,062	7,804,267
<u>\$ 223,607</u>	<u>\$ 476,076</u>	<u>\$ 117,403</u>	<u>\$ 92,966</u>	<u>\$ 3,770,745</u>	<u>\$ 1,290,340</u>	<u>\$ 107,077</u>	<u>\$ 7,625,713</u>

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SPECIAL REVENUE FUNDS

PUEBLO COUNTY, COLORADO
EMPLOYEE RETIREMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted</u> <u>Amounts</u> <u>Final</u>	<u>Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance</u> <u>with Final</u> <u>Budget-</u> <u>Positive</u> <u>(Negative)</u>
REVENUES			
Taxes -			
Property Taxes, Net	\$ 2,740,014	\$ 2,766,623	\$ 26,609
Specific Ownership Taxes	233,000	245,549	12,549
Intergovernmental - Other	<u>-</u>	<u>20</u>	<u>20</u>
TOTAL REVENUES	<u>2,973,014</u>	<u>3,012,192</u>	<u>39,178</u>
EXPENDITURES			
Personnel Services	75,300	67,136	8,164
Employer Contributions	<u>2,940,000</u>	<u>2,650,699</u>	<u>289,301</u>
TOTAL EXPENDITURES	<u>3,015,300</u>	<u>2,717,835</u>	<u>297,465</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(42,286)</u>	<u>294,357</u>	<u>336,643</u>
FUND BALANCE, January 1	<u>505,450</u>	<u>731,029</u>	<u>225,579</u>
FUND BALANCE, December 31	<u>\$ 463,164</u>	<u>\$ 1,025,386</u>	<u>\$ 562,222</u>

PUEBLO COUNTY, COLORADO
BOARD OF DEVELOPMENTAL DISABILITIES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted</u> <u>Amounts</u> <u>Final</u>	<u>Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance</u> <u>with Final</u> <u>Budget-</u> <u>Positive</u> <u>(Negative)</u>
REVENUES			
Taxes -			
Property Taxes, Net	\$ 400,980	\$ 404,953	\$ 3,973
Specific Ownership Taxes	35,000	35,941	941
Intergovernmental - Other	-	3	3
TOTAL REVENUES	<u>435,980</u>	<u>440,897</u>	<u>4,917</u>
EXPENDITURES			
County Board Allocations	<u>446,000</u>	<u>443,251</u>	<u>2,749</u>
TOTAL EXPENDITURES	<u>446,000</u>	<u>443,251</u>	<u>2,749</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,020)	(2,354)	7,666
FUND BALANCE, January 1	<u>2,833</u>	<u>8,503</u>	<u>5,670</u>
FUND BALANCE, December 31	<u>\$ (7,187)</u>	<u>\$ 6,149</u>	<u>\$ 13,336</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, 2015

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental -			
Federal Grants	\$ 181,405	\$ 57,339	\$ (124,066)
Collection of Revolving Loans	10,000	9,345	(655)
Interest	1,000	970	(30)
Transfers In	7,595	-	(7,595)
TOTAL REVENUES	200,000	67,654	(132,346)
EXPENDITURES			
Housing Projects	200,000	976	200,976
Home Grant Rehab Projects	-	67,691	(67,691)
TOTAL EXPENDITURES	200,000	68,667	133,285
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(1,013)	939
FUND BALANCE, January 1	50,452	42,368	(8,084)
FUND BALANCE, December 31	\$ 50,452	41,355	\$ (7,145)
Adjustment from Budgetary Basis to Generally Accepted Accounting Principles -			
Notes Receivable		381,208	
FUND BALANCE - Generally Accepted Accounting Principles		\$ 422,563	

**PUEBLO COUNTY, COLORADO
 CONSERVATION TRUST SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts Final</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES			
Colorado Lottery Allotment	\$ 380,000	\$ 352,878	\$ (27,122)
Interest	-	1,113	1,113
TOTAL REVENUES	<u>380,000</u>	<u>353,991</u>	<u>(26,009)</u>
EXPENDITURES AND OTHER FINANCING USES			
Grants to Other Entities	277,000	277,000	-
Transfers to Other Funds	103,000	103,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>380,000</u>	<u>380,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	-	(26,009)	(26,009)
FUND BALANCE, January 1	<u>140,519</u>	<u>26,569</u>	<u>(113,950)</u>
FUND BALANCE, December 31	<u>\$ 140,519</u>	<u>\$ 560</u>	<u>\$ (139,959)</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, 2015

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental -			
Title III Grants -			
Administration	\$ 68,006	\$ 49,874	\$ (18,132)
Part B	172,712	167,729	(4,983)
Part C-1	157,744	171,357	13,613
Part C-2	235,418	236,140	722
Part E	89,346	84,907	(4,439)
Title VII Grants	10,740	11,341	601
State Older Coloradoans Program	797,628	956,656	159,028
City of Pueblo	10,000	10,000	-
Federal USDA	90,000	92,608	2,608
Other Grants	281,028	115,219	(165,809)
Interest	300	373	73
TOTAL REVENUES	1,912,922	1,896,204	(16,718)
EXPENDITURES AND OTHER FINANCING USES			
Administration	102,892	108,012	(5,120)
Part B - Supportive Services	538,132	367,933	170,199
Part C-1 - Congregate Meals	157,744	171,357	(13,613)
Title 111B Ombudsman	-	7,321	(7,321)
Part C-2 - Home Delivered Meals	235,418	236,140	(722)
Cash in Lieu of Commodities	90,000	92,608	(2,608)
Elder Rights	10,740	11,209	(469)
Older Coloradoans Program	737,996	844,298	(106,302)
Transfers Out	40,000	37,500	2,500
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,912,922	1,876,378	36,544
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	-	19,826	19,826
FUND BALANCE, January 1	92,468	73,015	(19,453)
FUND BALANCE, December 31	\$ 92,468	\$ 92,841	\$ 373

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, 2015

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES			
Intergovernmental -			
Low Income Energy Assistance Program	\$ 288,264	\$ 388,695	\$ 100,431
Weatherization Assistance for Low-Income Persons	753,996	865,810	111,814
Commodity Administration	124,052	119,972	(4,080)
Community Service Block Grants	266,088	293,554	27,466
Community Development Block Grant ERESP	45,000	45,000	-
Commodity Supplemental Food Program	1,150,000	727,009	(422,991)
Emergency Shelter Grants Program	32,000	24,000	(8,000)
Housing Partnership Investment Program	7,595	6,465	(1,130)
State of Colorado Energy Grants	25,000	6,000	(19,000)
City of Pueblo Grant Review Partners	5,000	-	(5,000)
Contributions and Private Grants			
Public Service - Weatherization	150,000	244,572	94,572
Utilicorp - Electric Conservation	100,000	-	(100,000)
Client Participation	75,000	109,708	34,708
Other-			
Miscellaneous	163,583	22,936	(140,647)
Transfers In	839,741	827,889	(11,852)
TOTAL REVENUES AND OTHER FINANCING SOURCES	4,025,319	3,681,610	(343,709)
EXPENDITURES			
McHarg Park Community Center	73,421	56,743	16,678
E\$P Weatherization	1,417,260	1,549,931	(132,671)
E\$P Weatherization 02/03	-	113	(113)
Client Weatherization Program	75,000	-	75,000
Crisis Intervention Program	50,000	101,941	(51,941)
Administration	7,595	9,337	(1,742)
Community Service Block Grant Programs	271,088	307,777	(36,689)
Emergency Shelter Program	32,000	24,000	8,000
Commodity Supplemental Food Program	114,052	141,123	(27,071)
Temporary Emergency Food Assistance	10,000	9,996	4
Commodity Distribution	1,150,000	727,009	422,991
Health Disparities Program	13,583	14,405	(822)
Housing Services	121,320	128,911	(7,591)
Emergency Repairs Seniors Program	90,000	90,000	-
City of Pueblo Grant Review Partners	600,000	586,938	13,062
TOTAL EXPENDITURES	4,025,319	3,748,224	277,095
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES			
	-	(66,614)	(66,614)
FUND BALANCE, January 1	254,025	290,221	36,196
FUND BALANCE, December 31	<u>\$ 254,025</u>	<u>\$ 223,607</u>	<u>\$ (30,418)</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, 2015

	<u>Budgeted</u> <u>Amounts</u> <u>Final</u>	<u>Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance</u> <u>with Final</u> <u>Budget-</u> <u>Positive</u> <u>(Negative)</u>
REVENUES			
Contract Commissions	\$ 200,000	\$ 184,096	\$ (15,904)
TOTAL REVENUES	<u>200,000</u>	<u>184,096</u>	<u>(15,904)</u>
EXPENDITURES			
Inmate Services	320,000	155,106	164,894
Capital Outlay	-	48,532	(48,532)
TOTAL EXPENDITURES	<u>320,000</u>	<u>203,638</u>	<u>116,362</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(120,000)	(19,542)	100,458
FUND BALANCE, January 1	<u>344,347</u>	<u>495,618</u>	<u>151,271</u>
FUND BALANCE, December 31	<u>\$ 224,347</u>	<u>\$ 476,076</u>	<u>\$ 251,729</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, 2015

	<u>Budgeted Amounts Final</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES			
Investment Earnings	\$ 200	\$ 204	\$ 4
Miscellaneous	<u>1,000</u>	<u>76</u>	<u>(924)</u>
TOTAL REVENUES	<u>1,200</u>	<u>280</u>	<u>(920)</u>
EXPENDITURES			
Recreation	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL EXPENDITURES	<u>10,000</u>	<u>-</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,800)	280	9,080
FUND BALANCE, January 1	<u>108,497</u>	<u>117,123</u>	<u>8,626</u>
FUND BALANCE, December 31	<u>\$ 99,697</u>	<u>\$ 117,403</u>	<u>\$ 17,706</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, 2015

	<u>Budgeted Amounts Final</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES			
Investment Earnings	\$ 200	\$ 160	\$ (40)
Miscellaneous	6,000	4,875	(1,125)
TOTAL REVENUES	<u>6,200</u>	<u>5,035</u>	<u>(1,165)</u>
EXPENDITURES			
Public Safety	<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	(3,800)	5,035	8,835
FUND BALANCE, January 1	<u>76,466</u>	<u>87,931</u>	<u>11,465</u>
FUND BALANCE, December 31	<u>\$ 72,666</u>	<u>\$ 92,966</u>	<u>\$ 20,300</u>

CAPITAL PROJECTS FUNDS

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**PUEBLO COUNTY, COLORADO
CAPITAL EXPENDITURES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts Final</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES AND OTHER FINANCING SOURCES			
Taxes -			
Property Taxes, Net	\$ -	\$ 59	\$ 59
Sales and Use Taxes	600,000	658,036	58,036
Intergovernmental - State Grants	230,000	-	(230,000)
Investment Earnings	-	3,324	3,324
Transfers In	<u>700,000</u>	<u>691,624</u>	<u>(8,376)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>1,530,000</u>	<u>1,353,043</u>	<u>(176,957)</u>
EXPENDITURES			
Capital Outlay -			
Property Acquisition	700,000	691,620	8,380
Improvements, Buildings	926,100	614,126	311,974
Improvements, Other than Buildings	<u>542,500</u>	<u>150,029</u>	<u>392,471</u>
TOTAL EXPENDITURES	<u>2,168,600</u>	<u>1,455,775</u>	<u>712,825</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(638,600)	(102,732)	535,868
FUND BALANCE, January 1	<u>3,523,374</u>	<u>3,873,477</u>	<u>350,103</u>
FUND BALANCE, December 31	<u><u>\$ 2,884,774</u></u>	<u><u>\$ 3,770,745</u></u>	<u><u>\$ 885,971</u></u>

**PUEBLO COUNTY, COLORADO
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts Final	Actual Budget Basis	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 1,151	\$ 1,151
TOTAL REVENUES	<u>-</u>	<u>1,151</u>	<u>1,151</u>
EXPENDITURES AND OTHER FINANCING USES			
Capital Outlay	4,200,000	275,299	3,924,701
Transfers Out	275,000	25	274,975
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>4,475,000</u>	<u>275,324</u>	<u>4,199,676</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(4,475,000)	(274,173)	4,200,827
FUND BALANCE, January 1	<u>736,679</u>	<u>1,564,513</u>	<u>18,654,792</u>
FUND BALANCE, December 31	<u><u>\$ (3,738,321)</u></u>	<u><u>\$ 1,290,340</u></u>	<u><u>\$ 22,855,619</u></u>

DEBT SERVICE FUND

PUEBLO COUNTY, COLORADO
LIBRARY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted Amounts Final</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES			
Property Taxes, Net	\$ 1,139,188	\$ 1,138,545	\$ (643)
Intergovernmental -			
Other	-	8	8
TOTAL REVENUES	<u>1,139,188</u>	<u>1,138,553</u>	<u>(635)</u>
EXPENDITURES			
Current Fiscal Charges	1,800	150	1,650
Debt service -			
Principal	935,000	935,000	-
Interest and Fiscal Charges	<u>202,388</u>	<u>202,388</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,139,188</u>	<u>1,137,538</u>	<u>1,650</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	1,015	1,015
FUND BALANCE, January 1	<u>105,457</u>	<u>106,062</u>	<u>605</u>
FUND BALANCE, December 31	<u>\$ 105,457</u>	<u>\$ 107,077</u>	<u>\$ 1,620</u>

ENTERPRISE FUND

**PUEBLO COUNTY, COLORADO
DESERT HAWK GOLF COURSE AT PUEBLO WEST
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts Final</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES AND OTHER FINANCING SOURCES			
Green Fees	\$ 523,500	\$ 535,966	\$ 12,466
Cart Fees	203,000	210,135	7,135
Restaurant Rent	12,000	11,500	(500)
Driving Range and Other	34,500	41,062	6,562
Investment Earnings	600	1,114	514
Contributions	12,000	13,420	1,420
Transfers In	308,863	308,863	-
Advance from Other Government	308,863	308,863	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>1,403,326</u>	<u>1,430,923</u>	<u>27,597</u>
EXPENDITURES			
Personnel Services	27,990	28,568	(578)
Contract Fees	345,600	350,613	(5,013)
Supplies	177,600	169,599	8,001
Professional Services	11,100	15,369	(4,269)
Insurance	9,400	9,789	(389)
Repairs and Maintenance	17,300	26,272	(8,972)
Utilities and Communications	191,600	166,837	24,763
Equipment Rent	3,000	1,617	1,383
Capital Outlay	-	807	(807)
Sales Tax	-	65	(65)
Debt Service:			
Interest and Fiscal Charges	223,825	222,725	1,100
Principal	395,000	395,000	-
TOTAL EXPENDITURES	<u>1,402,415</u>	<u>1,387,261</u>	<u>15,154</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ 911</u>	<u>\$ 43,662</u>	<u>\$ 42,751</u>

AGENCY FUNDS

PUEBLO COUNTY, COLORADO
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2015

	Other Taxing Entities	Subdivision Improvements Escrow	District Attorney's Restitution Fund	Enterprise Zone Administrator Fund	Total
ASSETS					
Cash and Cash Equivalents	\$ 4,104,447	\$ 403,469	\$ 13,623	\$ 7,550	\$ 4,529,089
Receivables, Net	-	-	-	6,230	6,230
TOTAL ASSETS	<u>\$ 4,104,447</u>	<u>\$ 403,469</u>	<u>\$ 13,623</u>	<u>\$ 13,780</u>	<u>\$ 4,535,319</u>
LIABILITIES					
Due to Other Governments	\$ 4,104,447	\$ -	\$ -	\$ -	\$ 4,104,447
Due to Developers	-	403,469	-	-	403,469
Due to Victims and Insurance Companies	-	-	13,623	-	13,623
Advances from Others	-	-	-	13,780	13,780
TOTAL LIABILITIES	<u>\$ 4,104,447</u>	<u>\$ 403,469</u>	<u>\$ 13,623</u>	<u>\$ 13,780</u>	<u>\$ 4,535,319</u>

PUEBLO COUNTY, COLORADO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2015

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
<u>OTHER TAXING ENTITIES</u>				
ASSETS				
Cash and Cash Equivalents	\$ 4,869,013	\$ 205,600,380	\$ 206,364,946	\$ 4,104,447
LIABILITIES				
Due to Other Taxing Districts	\$ 4,869,013	\$ 205,600,380	\$ 206,364,946	\$ 4,104,447
 <u>SUBDIVISION IMPROVEMENTS ESCROW</u>				
ASSETS				
Cash and Cash Equivalents	\$ 399,908	\$ 10,257	\$ 6,696	\$ 403,469
LIABILITIES				
Due to Developers	\$ 399,908	\$ 10,257	\$ 6,696	\$ 403,469
 <u>DISTRICT ATTORNEY'S RESTITUTION FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 13,844	\$ 2,062	\$ 2,283	\$ 13,623
LIABILITIES				
Due to Victims and Insurance Companies	\$ 13,844	\$ 2,062	\$ 2,283	\$ 13,623
 <u>ENTERPRISE ZONE ADMINISTRATOR FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 34,225	\$ 653,119	\$ 679,794	\$ 7,550
Other Accounts Receivable	29,375	6,230	29,375	6,230
TOTAL ASSETS	<u>\$ 63,600</u>	<u>\$ 659,349</u>	<u>\$ 709,169</u>	<u>\$ 13,780</u>
LIABILITIES				
Advances from Others	\$ 63,600	\$ 659,349	\$ 709,169	\$ 13,780
 <u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$5,316,990	\$206,265,818	\$207,053,719	\$ 4,529,089
Other Accounts Receivable	29,375	6,230	29,375	6,230
TOTAL ASSETS	<u>\$5,346,365</u>	<u>\$206,272,048</u>	<u>\$207,083,094</u>	<u>\$ 4,535,319</u>
LIABILITIES				
Due to Other Taxing Entities	\$4,869,013	\$205,600,380	\$206,364,946	\$ 4,104,447
Due to Developers	399,908	10,257	6,696	403,469
Due to Victims and Insurance Companies	13,844	2,062	2,283	13,623
Due to Other Entities	63,600	659,349	709,169	13,780
TOTAL LIABILITIES	<u>\$5,346,365</u>	<u>\$206,272,048</u>	<u>\$207,083,094</u>	<u>\$ 4,535,319</u>

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DISCRETELY PRESENTED COMPONENT UNITS

PUEBLO COUNTY, COLORADO
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 254,450	\$ 228,124	\$ 482,574
Investments	-	56,147	56,147
Receivables, Net	67,235	-	67,235
Machinery and Equipment	292,571	-	292,571
Less Accumulated Depreciation	(170,509)	-	(170,509)
Total Capital Assets, Net	<u>122,062</u>	<u>-</u>	<u>122,062</u>
TOTAL ASSETS	<u>443,747</u>	<u>284,271</u>	<u>728,018</u>
LIABILITIES			
Accounts Payable and Accrued Expenses	<u>27,360</u>	<u>2,129</u>	<u>29,489</u>
TOTAL LIABILITIES	<u>27,360</u>	<u>2,129</u>	<u>29,489</u>
NET POSITION			
Net Investment in Capital Assets	122,062	-	122,062
Unrestricted	<u>294,325</u>	<u>282,142</u>	<u>576,467</u>
TOTAL NET POSITION	<u>\$ 416,387</u>	<u>\$ 282,142</u>	<u>\$ 698,529</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 443,747</u>	<u>\$ 284,271</u>	<u>\$ 728,018</u>

PUEBLO COUNTY, COLORADO
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2015

	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc	Total
OPERATING REVENUES			
Charges for Services	\$ 476,984	\$ 548,435	\$ 1,025,419
TOTAL OPERATING REVENUES	476,984	548,435	1,025,419
OPERATING EXPENSES			
Public Safety:			
Administration	621,772	-	621,772
Depreciation	39,746	-	39,746
Culture and Recreation:			
Baseball park operations:			
Personnel Services	-	319,504	319,504
Supplies	-	219,078	219,078
Professional Services	-	16,431	16,431
Insurance	-	22,607	22,607
Administrative Costs	-	31,250	31,250
TOTAL OPERATING EXPENSES	661,518	608,870	1,270,388
OPERATING INCOME (LOSS)	(184,534)	(60,435)	(244,969)
NONOPERATING REVENUES (EXPENSES)			
Interest Income	714	479	1,193
Operating Grants & Contributions	-	104,118	104,118
Loss From Disposition of Capital Assets	(10,306)	(251,856)	(262,162)
TOTAL NONOPERATING REVENUES (EXPENSES)	(9,592)	(147,259)	(156,851)
CHANGE IN NET POSITION	(194,126)	(207,694)	(401,820)
NET POSITION, January 1	610,513	489,836	1,100,349
NET POSITION, December 31	\$ 416,387	\$ 282,142	\$ 698,529

PUEBLO COUNTY, COLORADO
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

	Pueblo County Emergency Phone Service Authority	Runyon Sports Complex	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 470,020	\$ 548,435	\$ 1,018,455
Payments to Suppliers for Goods and Services	(328,428)	(290,030)	(618,458)
Payments to Employees	(340,566)	(319,504)	(660,070)
Net Cash Provided (Used) by Operating Activities	<u>(198,974)</u>	<u>(61,099)</u>	<u>(260,073)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Grants & Contributions	-	126,618	126,618
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>126,618</u>	<u>126,618</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(78,454)	(71,372)	(149,826)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(78,454)</u>	<u>(71,372)</u>	<u>(149,826)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments	-	(163)	(163)
Interest Received	714	479	1,193
Net Cash Provided by Investing Activities	<u>714</u>	<u>316</u>	<u>1,030</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(276,714)	(5,537)	(282,251)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	531,164	233,661	764,825
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 254,450</u>	<u>\$ 228,124</u>	<u>\$ 482,574</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (184,534)	\$ (60,435)	\$ (244,969)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	39,746	-	39,746
Change in Assets and Liabilities -			
Accounts Receivable	(6,962)	-	(6,962)
Accounts Payable and Accrued Expenses	(47,224)	(664)	(47,888)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (198,974)</u>	<u>\$ (61,099)</u>	<u>\$ (260,073)</u>

OTHER SCHEDULES

LOCAL HIGHWAY FINANCE REPORT	City or County:
	YEAR ENDING : December 2015

This Information From The Records Of (example - City of _ or County of	Prepared By: Phone:
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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)	3,980,281
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,662,534
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	148,451
2. General fund appropriations		b. Snow and ice removal	533,914
3. Other local imposts (from page 2)	5,711,904	c. Other	17,680
4. Miscellaneous local receipts (from page 2)	338,769	d. Total (a. through c.)	700,045
5. Transfers from toll facilities		4. General administration & miscellaneous	916,530
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	309,101
a. Bonds - Original Issues		6. Total (1 through 5)	10,568,491
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)	6,050,673	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	5,183,376	2. Notes:	
D. Receipts from Federal Government (from page 2)	138,996	a. Interest	
E. Total receipts (A.7 + B + C + D)	11,373,045	b. Redemption	
		c. Total (a. + b.)	0
		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)	10,568,491

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
	16,043,471	11,373,045	10,568,491	16,848,025	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2015

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	1,462,770	a. Interest on investments	21,551
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	4,112,722	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	
3. Liens	2,486	e. Sale of Surplus Property	
4. Licenses	3,880	f. Charges for Services	
5. Specific Ownership &/or Other	130,046	g. Other Misc. Receipts	8,117
6. Total (1. through 5.)	4,249,134	h. Other	309,101
c. Total (a. + b.)	5,711,904	i. Total (a. through h.)	338,769
	(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	4,916,568	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	13,652
a. State bond proceeds		b. FEMA	21,430
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	266,797	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify) - PILT	11	f. Other Federal	103,914
f. Total (a. through e.)	266,808	g. Total (a. through f.)	138,996
4. Total (1. + 2. + 3.f)	5,183,376	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		3,734	3,734
b. Engineering Costs		372,406	372,406
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		1,440,244	1,440,244
(3). System Preservation		1,733,647	1,733,647
(4). System Enhancement & Operation		430,250	430,250
(5). Total Construction (1) + (2) + (3) + (4)	0	3,604,141	3,604,141
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,980,281	3,980,281
			(Carry forward to page 1)

Notes and Comments:

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STATISTICAL SECTION

**PUEBLO COUNTY, COLORADO
STATISTICAL SECTION
DECEMBER 31, 2015**

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, 2015

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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)

	2006	2007	2008
Governmental Activities			
Net Investment in Capital Assets	\$120,136,683	\$132,494,708	\$143,787,351
Restricted	4,811,887	3,780,362	9,608,772
Unrestricted	4,903,072	7,109,686	(5,760,548)
Total Governmental Activities Net Position	<u>129,851,642</u>	<u>143,384,756</u>	<u>147,635,575</u>
Business-Type Activities			
Net Investment in Capital Assets	(849,534)	(705,617)	(604,175)
Restricted	623,499	625,751	626,541
Unrestricted	(3,728,387)	(4,380,803)	(5,068,346)
Total Business-Type Activities Net Position	<u>(3,954,422)</u>	<u>(4,460,669)</u>	<u>(5,045,980)</u>
Primary Government			
Net Investment in Capital Assets	119,287,149	131,789,091	143,183,176
Restricted	5,435,386	3,780,362	10,235,313
Unrestricted	1,174,685	3,354,634	(10,828,894)
Total Primary Government Net Position	<u>\$125,897,220</u>	<u>\$138,924,087</u>	<u>\$142,589,595</u>

2009	2010	2011	2012	2013	2014	2015
\$156,687,721	\$157,610,527	\$162,146,287	\$158,573,781	\$168,371,127	\$170,479,412	\$164,623,352
3,384,675	3,086,170	6,152,043	46,463,097	4,355,457	5,044,256	6,208,963
(10,308,282)	(3,630,998)	(18,219,489)	(61,203,203)	(19,064,624)	(62,035,060)	(67,398,442)
<u>149,764,114</u>	<u>157,065,699</u>	<u>150,078,841</u>	<u>143,833,675</u>	<u>153,661,960</u>	<u>113,488,608</u>	<u>103,433,873</u>
(253,412)	(36,777)	155,022	358,781	543,135	730,337	941,485
-	-	-	-	-	-	-
<u>(5,347,425)</u>	<u>(6,141,148)</u>	<u>(6,853,166)</u>	<u>(3,646,238)</u>	<u>(4,106,120)</u>	<u>(4,472,981)</u>	<u>(4,745,781)</u>
<u>(5,600,837)</u>	<u>(6,177,925)</u>	<u>(6,698,144)</u>	<u>(3,287,457)</u>	<u>(3,562,985)</u>	<u>(3,742,644)</u>	<u>(3,804,296)</u>
156,434,309	157,573,750	162,301,309	158,932,562	168,914,262	171,209,749	165,564,837
3,384,675	3,086,170	6,152,043	46,463,097	4,355,457	5,044,256	6,208,963
(15,655,707)	(9,772,146)	(25,072,655)	(64,849,441)	(23,170,744)	(21,757,562)	(72,144,223)
<u>\$144,163,277</u>	<u>\$150,887,774</u>	<u>\$143,380,697</u>	<u>\$140,546,218</u>	<u>\$150,098,975</u>	<u>\$154,496,443</u>	<u>\$ 99,629,577</u>

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

Expenses	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities:				
General Government	\$ 24,097,907	\$ 25,333,614	\$ 28,126,020	\$ 28,866,745
Public Safety	24,459,749	27,648,325	30,385,922	31,324,338
Road and Bridge	11,445,958	12,008,616	12,081,644	12,263,344
Health, Welfare and Sanitation	25,190,014	24,810,205	33,569,431	29,634,129
Culture and Recreation	1,291,565	1,837,992	2,273,878	2,072,045
Conservation	614,677	650,785	634,340	756,747
Urban Redevelopment and Housing	2,419,113	2,948,402	2,747,877	3,366,798
Economic Development and Assistance	510,294	333,798	321,472	377,695
Interest on Long-Term Debt	673,439	682,092	683,416	587,585
Total Governmental Activities Expenses	<u>90,702,716</u>	<u>96,253,829</u>	<u>110,824,000</u>	<u>109,249,426</u>
Business-Type Activities:				
Desert Hawk Golf Course	1,288,775	1,307,871	1,413,530	1,446,301
Total Primary Government Expenses	<u>\$ 91,991,491</u>	<u>\$ 97,561,700</u>	<u>\$ 112,237,530</u>	<u>\$ 110,695,727</u>
 Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 4,131,849	\$ 4,537,147	\$ 4,876,877	\$ 4,902,303
Public Safety	2,403,834	2,017,938	2,170,117	2,137,698
Road and Bridge	273,136	910,032	658,452	739,437
Health, Welfare and Sanitation	421,114	400,744	544,875	503,904
Culture and Recreation	68,113	69,738	97,076	82,094
Conservation	73,361	104,399	80,065	123,964
Urban Redevelopment and Housing	202,552	251,768	233,059	392,479
Operating Grants and Contributions	28,617,110	30,401,480	29,356,059	36,253,779
Capital Grants and Contributions	7,336,480	13,859,486	17,695,337	7,938,900
Total Governmental Activities Program Revenues	<u>43,527,549</u>	<u>52,552,732</u>	<u>55,711,917</u>	<u>53,074,558</u>
Business-Type Activities:				
Charges for Services:				
Desert Hawk Golf Course	748,573	717,443	765,894	800,910
Operating Grants and Contributions	30,667	32,094	16,210	2,584
Capital Grants and Contributions	2,500	-	12,853	42,688
Total Business-Type Activities Revenues	<u>781,740</u>	<u>749,537</u>	<u>794,957</u>	<u>846,182</u>
Total Primary Government Program Revenues	<u>\$ 44,309,289</u>	<u>\$ 53,302,269</u>	<u>\$ 56,506,874</u>	<u>\$ 53,920,740</u>
 Net (Expense)/Revenue				
Governmental Activities	\$ (47,175,167)	\$ (43,701,097)	\$ (55,112,083)	\$ (56,174,868)
Business-Type Activities	(507,035)	(558,334)	(618,573)	(600,119)
Total Primary Government Net Expense	<u>\$ (47,682,202)</u>	<u>\$ (44,259,431)</u>	<u>\$ (55,730,656)</u>	<u>\$ (56,774,987)</u>

2010	2011	2012	2013	2014	2015
\$ 28,205,255	\$ 31,381,568	\$ 28,109,379	\$ 28,324,590	\$ 28,304,667	\$ 32,634,136
28,006,175	29,359,229	30,600,018	29,433,895	31,400,549	34,057,390
12,983,768	14,171,522	14,467,477	15,804,649	14,554,339	14,174,193
29,416,770	30,503,159	29,516,271	30,489,071	32,148,244	34,072,277
1,687,257	1,747,827	1,548,146	1,226,721	1,460,406	1,817,418
773,448	698,566	728,653	639,794	761,856	867,537
3,061,414	3,502,509	3,179,606	2,466,132	1,919,984	2,531,580
1,228,123	1,480,530	2,625,429	3,121,755	4,213,913	5,228,042
1,111,000	2,693,937	5,090,440	5,043,974	4,941,935	4,808,570
<u>106,473,210</u>	<u>115,538,847</u>	<u>115,865,419</u>	<u>116,550,581</u>	<u>119,705,893</u>	<u>130,191,143</u>
<u>1,447,152</u>	<u>1,353,414</u>	<u>1,321,806</u>	<u>1,312,106</u>	<u>1,241,419</u>	<u>1,183,711</u>
<u>\$ 107,920,362</u>	<u>\$ 116,892,261</u>	<u>\$ 117,187,225</u>	<u>\$ 117,862,687</u>	<u>\$ 120,947,312</u>	<u>\$ 131,374,854</u>
\$ 7,342,098	\$ 5,238,974	\$ 4,970,112	\$ 5,040,323	\$ 5,971,175	\$ 6,055,272
2,125,481	2,452,536	3,045,312	2,853,812	2,457,780	2,663,837
271,379	284,628	5,276,297	5,307,291	5,296,600	278,797
334,913	285,756	293,962	292,567	293,282	266,708
82,711	86,389	93,051	83,152	89,595	331,538
143,310	95,227	135,728	101,389	114,069	131,051
493,497	188,575	129,641	24,289	65,630	102,813
34,721,737	35,567,903	32,679,217	34,124,260	35,464,251	36,878,931
2,749,486	2,207,862	3,253,938	13,869,248	6,768,158	2,624,848
<u>48,264,612</u>	<u>46,407,850</u>	<u>49,877,258</u>	<u>61,696,331</u>	<u>56,520,540</u>	<u>49,333,795</u>
822,717	782,491	799,969	714,904	752,297	798,663
877	-	-	-	-	-
6,470	-	22,397	12,087	-	13,420
<u>830,064</u>	<u>782,491</u>	<u>822,366</u>	<u>726,991</u>	<u>752,297</u>	<u>812,083</u>
<u>\$ 49,094,676</u>	<u>\$ 47,190,341</u>	<u>\$ 50,699,624</u>	<u>\$ 62,423,322</u>	<u>\$ 57,272,837</u>	<u>\$ 50,145,878</u>
\$ (58,208,598)	\$ (69,130,997)	\$ (65,959,946)	\$ (54,854,250)	\$ (63,185,353)	\$ (80,857,348)
(617,088)	(570,923)	(499,440)	(585,115)	(489,122)	(371,628)
<u>\$ (58,825,686)</u>	<u>\$ (69,701,920)</u>	<u>\$ (66,459,386)</u>	<u>\$ (55,439,365)</u>	<u>\$ (63,674,475)</u>	<u>\$ (81,228,976)</u>

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

	2006	2007	2008	2009
General Revenues				
Governmental Activities:				
Property Taxes	\$ 29,616,421	\$ 34,693,901	\$ 38,379,259	\$ 38,503,465
Sales and Miscellaneous Taxes	15,167,499	16,236,549	15,818,534	15,377,132
Specific Ownership Taxes	3,663,442	4,117,058	4,205,114	4,038,074
Investment Earnings	1,905,501	1,994,338	980,491	170,931
Miscellaneous	108,079	22,223	12,766	139,347
Transfers	(20,000)	(20,000)	(33,262)	(45,262)
Total Governmental Activities	<u>\$ 50,440,942</u>	<u>\$ 57,044,069</u>	<u>\$ 59,362,902</u>	<u>\$ 58,183,687</u>
Business-Type Activities:				
Investment Earnings	\$ -	\$ 32,087	\$ -	\$ -
Transfers	20,000	20,000	33,262	45,262
Total Business-Type Activities	<u>20,000</u>	<u>52,087</u>	<u>33,262</u>	<u>45,262</u>
Total Primary Government	<u>\$ 50,460,942</u>	<u>\$ 57,096,156</u>	<u>\$ 59,396,164</u>	<u>\$ 58,228,949</u>
Change in Net Position				
Governmental Activities	\$ 3,265,775	\$ 13,342,972	\$ 4,250,819	\$ 2,008,819
Business-Type Activities	(487,035)	(506,247)	(585,311)	(554,857)
Total Primary Government	<u>\$ 2,778,740</u>	<u>\$ 12,836,725</u>	<u>\$ 3,665,508</u>	<u>\$ 1,453,962</u>

2010	2011	2012	2013	2014	2015
\$ 41,988,462	\$ 42,894,699	\$ 43,321,344	\$ 45,381,465	\$ 46,080,419	\$ 47,622,988
17,589,236	15,043,437	15,686,740	15,762,702	17,396,190	18,835,848
3,625,786	3,601,583	3,643,827	3,803,075	3,980,542	4,220,057
271,898	319,990	499,134	(18,717)	524,074	329,384
424,967	334,432	794,123	62,772	90,017	103,195
(40,000)	(50,000)	(3,909,027)	(308,762)	(308,762)	(308,863)
<u>\$ 63,860,349</u>	<u>\$ 62,144,141</u>	<u>\$ 60,036,141</u>	<u>\$ 64,682,535</u>	<u>\$ 67,762,480</u>	<u>\$ 70,802,609</u>
\$ -	\$ 704	\$ 1,100	\$ 824	\$ 701	\$ 1,114
40,000	50,000	3,909,027	308,762	308,762	308,863
<u>40,000</u>	<u>50,704</u>	<u>3,910,127</u>	<u>309,586</u>	<u>309,463</u>	<u>309,977</u>
<u>\$ 63,900,349</u>	<u>\$ 62,194,845</u>	<u>\$ 63,946,268</u>	<u>\$ 64,992,121</u>	<u>\$ 68,071,943</u>	<u>\$ 71,112,586</u>
\$ 5,651,751	\$ (6,986,856)	\$ (5,952,020)	\$ 9,828,285	\$ 4,577,127	\$ (10,054,739)
(577,088)	(520,219)	3,410,687	(275,529)	(179,659)	(61,651)
<u>\$ 5,074,663</u>	<u>\$ (7,507,075)</u>	<u>\$ (2,541,333)</u>	<u>\$ 9,552,756</u>	<u>\$ 4,397,468</u>	<u>\$ (10,116,390)</u>

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

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Reserved	\$ 2,160,516	\$ 2,413,816	\$ 3,005,471	\$ 3,249,306
Unreserved	12,424,027	13,585,315	4,853,862	25,334,134
Total General Fund	<u>\$ 14,584,543</u>	<u>\$ 15,999,131</u>	<u>\$ 7,859,333</u>	<u>\$ 28,583,440</u>
All Other Governmental Funds				
Reserved	\$ 8,054,008	\$ 9,825,948	\$ 11,883,690	\$ 7,218,252
Unreserved, Reported in:				
Special Revenue Funds	6,969,389	5,054,811	4,863,803	5,067,321
Capital Projects Funds	-	-	-	(744,953)
Total All Other Governmental Funds	<u>\$ 15,023,397</u>	<u>\$ 14,880,759</u>	<u>\$ 16,747,493</u>	<u>\$ 11,540,620</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					
	2010	2011	2012	2013	2014	2015
\$	7,280,747					
	<u>26,852,607</u>					
\$	<u><u>34,133,354</u></u>					

\$	6,950,464
	7,222,212
	<u>322</u>
\$	<u><u>14,172,998</u></u>

\$	7,889,767	\$	4,392,093	\$	4,203,645	\$	3,241,874	\$	2,882,942
	3,092,999		2,400,000		2,400,000		2,653,785		2,651,936
					5,143,371		-		-
	5,179,986		2,326,045		4,475,932		4,445,390		3,739,648
	<u>11,959,308</u>		<u>15,250,351</u>				<u>8,095,448</u>		<u>9,172,295</u>
\$	<u><u>28,122,060</u></u>	\$	<u><u>24,368,489</u></u>	\$	<u><u>16,222,948</u></u>	\$	<u><u>18,436,497</u></u>	\$	<u><u>18,446,821</u></u>

\$	2,461,740	\$	2,456,710	\$	2,238,119	\$	2,397,370	\$	2,002,204
	3,059,044		44,063,097		12,863,677		3,950,781		3,557,027
	2,838,163		140,300		8,804,672		12,617,331		11,311,931
	<u>3,796,967</u>		<u>9,959,982</u>		<u>6,873,561</u>		<u>8,103,044</u>		<u>9,774,094</u>
\$	<u><u>12,155,914</u></u>	\$	<u><u>56,620,089</u></u>	\$	<u><u>30,780,029</u></u>	\$	<u><u>27,068,526</u></u>	\$	<u><u>26,645,256</u></u>

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

Revenues	Fiscal Year			
	2006	2007	2008	2009
Taxes:				
Property Taxes, Net	\$ 29,616,421	\$ 34,693,901	\$ 38,379,266	\$ 38,503,465
Specific Ownership Taxes	3,663,443	4,117,058	4,205,114	4,038,074
Sales and Use Taxes	15,167,499	16,236,549	15,818,534	15,377,132
Fees and Fines	36,785	33,406	36,967	36,847
Licenses and Permits	140,799	136,343	172,312	182,545
Intergovernmental	30,377,912	37,343,640	42,799,885	39,343,083
State Highway Users Tax	4,404,789	3,944,552	3,754,591	4,258,482
Charges for Services	6,132,707	8,926,190	7,342,115	7,573,454
Investment Earnings	1,937,573	2,029,895	1,002,144	175,961
Contributions and Private Grants	370,367	536,556	621,837	587,586
Other Revenues	561,000	490,816	500,810	744,892
Total Revenues	<u>92,409,295</u>	<u>108,488,906</u>	<u>114,633,575</u>	<u>110,821,521</u>
 Expenditures				
General Government	23,423,910	25,276,861	26,635,609	27,612,550
Public Safety	21,594,268	24,548,467	23,582,999	26,531,567
Highways and Streets	6,117,720	6,178,943	7,702,294	7,665,246
Health and Human Services	24,375,392	24,165,732	32,098,771	27,007,626
Culture and Recreation	544,053	1,064,231	1,235,612	725,993
Urban Development and Housing	2,001,422	2,528,092	2,349,052	3,004,412
Conservation	588,408	631,810	612,594	621,776
Economic Development Assistance	11,020	128,465	104,270	120,282
Intergovernmental	3,135,689	2,841,381	3,099,330	4,828,137
Debt Service:				
Principal	1,104,215	1,611,861	1,728,041	1,564,538
Interest and Other Charges	601,753	655,767	959,702	1,848,574
Debt Issuance and Insurance Costs	-	-	-	-
Capital Outlay	16,855,737	19,027,887	32,180,103	20,047,288
Total Expenditures	<u>100,353,587</u>	<u>108,659,497</u>	<u>132,288,377</u>	<u>121,577,989</u>
Excess (Deficiency) of Revenue Over (Under)				
Expenditures	<u>(7,944,292)</u>	<u>(170,591)</u>	<u>(17,654,802)</u>	<u>(10,756,468)</u>
 Other Financing Sources (Uses)				
Issuance from Capital Lease	119,868	1,272,400	-	-
Proceeds from Certificates of Participation	-	-	11,415,000	26,600,000
Proceeds from Bonds Issued	4,060,000	-	-	-
Premium from COPs Issued	-	-	-	-
Discount from COPs Issued	-	-	-	(400,756)
Transfers In	2,353,335	3,932,370	13,231,367	6,420,417
Transfers Out	(2,373,335)	(3,952,370)	(13,264,629)	(6,465,678)
Total Other Financing Sources (Uses)	<u>4,159,868</u>	<u>1,252,400</u>	<u>11,381,738</u>	<u>26,153,983</u>
Net Changes in Fund Balances	<u>\$ (3,784,424)</u>	<u>\$ 1,081,809</u>	<u>\$ (6,273,064)</u>	<u>\$ 15,397,515</u>
Debt Service as a Percentage of				
Noncapital Expenditures	2.04 %	2.53 %	2.68 %	3.36 %

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 21 of this report.

		Fiscal Year					
		2010	2011	2012	2013	2014	2015
\$	41,988,462	\$ 42,894,699	\$ 43,321,346	\$ 45,381,465	\$ 46,080,419	\$ 47,622,988	
	3,625,786	3,601,583	3,643,827	3,803,075	3,980,542	4,220,057	
	17,589,236	15,043,437	15,686,739	15,762,702	17,396,190	18,835,848	
	24,756	41,421	42,661	32,075	41,016	140,838	
	170,765	174,488	249,950	502,006	1,101,703	1,170,996	
	31,903,068	31,899,234	30,307,089	38,444,504	40,243,767	36,506,385	
	4,504,950	4,540,767	4,554,965	4,604,132	4,708,327	4,916,568	
	6,689,953	7,209,946	12,442,726	11,793,977	12,267,130	7,183,453	
	271,898	319,990	223,353	(18,717)	524,074	329,384	
	663,503	751,753	388,519	268,023	784,640	578,187	
	3,350,140	1,053,022	1,612,209	727,004	636,949	708,951	
	<u>110,782,517</u>	<u>107,530,340</u>	<u>112,473,384</u>	<u>121,300,246</u>	<u>127,764,757</u>	<u>122,213,655</u>	
	26,317,193	30,060,394	27,188,093	27,239,875	27,788,339	29,706,981	
	23,623,411	25,072,526	25,970,555	26,128,149	26,180,149	27,725,104	
	6,782,217	7,156,834	7,191,094	7,425,035	7,377,167	6,275,175	
	26,476,356	26,856,745	28,005,206	28,047,137	29,650,774	31,710,570	
	689,501	1,213,862	787,893	716,716	950,674	760,594	
	3,996,932	4,748,937	2,928,674	2,260,312	1,828,874	2,224,129	
	647,661	658,969	670,167	582,128	780,302	806,176	
	968,065	1,264,510	2,409,429	2,915,755	4,015,513	5,085,119	
	3,367,813	2,994,171	2,388,570	2,285,330	2,452,650	2,824,128	
	2,702,766	2,539,165	2,027,050	2,663,316	2,768,172	2,893,670	
	2,175,909	2,614,695	3,789,644	5,077,399	4,975,400	4,846,666	
	-	-	1,441,272	-	-	-	
	4,812,401	12,201,925	22,163,159	49,635,933	20,185,936	7,459,426	
	<u>102,560,225</u>	<u>117,382,733</u>	<u>126,960,806</u>	<u>154,977,085</u>	<u>128,953,950</u>	<u>122,317,738</u>	
	<u>8,222,292</u>	<u>(9,852,393)</u>	<u>(14,487,422)</u>	<u>(33,676,839)</u>	<u>(1,189,193)</u>	<u>(104,083)</u>	
	-	1,874,015	-	-	-	-	
	-	-	55,000,000	-	-	-	
	-	-	-	-	-	-	
	-	-	4,400,198	-	-	-	
	-	-	-	-	-	-	
	2,571,222	12,335,090	3,283,508	10,005,614	2,387,210	1,622,538	
	<u>(2,611,222)</u>	<u>(12,385,090)</u>	<u>(7,176,797)</u>	<u>(10,314,376)</u>	<u>(2,695,972)</u>	<u>(1,931,401)</u>	
	<u>(40,000)</u>	<u>1,824,015</u>	<u>55,491,172</u>	<u>(308,762)</u>	<u>(308,762)</u>	<u>(308,863)</u>	
\$	<u>8,182,292</u>	<u>\$ (8,028,378)</u>	<u>\$ 41,032,661</u>	<u>\$ (33,985,601)</u>	<u>\$ (1,497,955)</u>	<u>\$ (412,946)</u>	
	4.99 %	4.90 %	5.55 %	7.35 %	7.12 %	6.10 %	

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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
2006	29,586,757	29,533,063	99.82%	43,583	29,576,646	99.97%
2007	34,603,767	34,554,867	99.86%	(209,155)	34,345,712	99.25%
2008	38,386,382	38,301,325	99.78%	73,033	38,374,358	99.97%
2009	38,935,035	38,375,174	98.56%	436,519	38,811,693	99.68%
2010	41,538,357	41,293,332	99.41%	86,738	41,380,070	99.62%
2011	42,858,211	42,737,389	99.72%	66,061	42,803,450	99.87%
2012	45,903,474	45,712,521	99.58%	29,162	45,741,683	99.65%
2013	49,795,510	49,663,296	99.73%	4,488	49,667,784	99.74%
2014	49,799,146	49,665,427	99.73%	(11,880)	49,653,547	99.71%
2015	50,223,442	50,119,332	99.79%	-	50,119,332	99.79%

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			
	2006	2007	2008	2009
County Direct Rates				
General	26.060	29.999	29.999	29.999
Library	1.094	1.073	0.954	0.927
Animal Shelter	0.866	0.835	0.755	0.269
Refunds/ Abatements-General Fund	-	-	-	-
Total Direct Rate	28.020	31.907	31.708	31.195
City and Towns Rates				
Boone	16.252	17.880	9.670	10.620
Pueblo	15.441	15.633	15.633	15.633
Rye	6.120	5.609	5.488	5.900
School Districts				
Edison 54J	36.837	36.357	38.814	38.801
Fowler R4J	40.410	39.896	38.183	38.018
Pueblo 60	42.515	42.587	39.152	37.966
Pueblo 70	49.859	48.831	41.873	40.804
Improvement & Service Districts				
Avondale Water & Sanitation	10.641	10.641	10.641	10.641
Bandera Blvd. Special Improvement	5.000	5.000	5.000	5.000
Beulah Fire & Ambulance District	-	-	7.000	7.000
Colorado City Cemetery	1.147	1.147	1.071	1.071
Colorado City Metro	16.745	17.967	16.646	17.967
Edison Fire Protection District	-	-	9.000	9.000
Fowler Rural Fire	4.630	4.635	4.546	4.462
Lower Arkansas Valley Water Conservancy	1.446	1.502	1.502	1.503
Midway Ranches Fire Protection District	-	-	-	-
Pine Drive Water	13.708	13.812	14.776	14.582
Pueblo Regional Library	5.250	5.250	5.250	5.261
Pueblo Rural Fire	24.268	24.268	24.268	24.268
Pueblo West Metro	18.934	20.193	20.193	20.193
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	0.943	0.941	0.915	0.943
St. Charles Mesa Sanitation	4.024	4.250	4.064	4.250
West Park Fire	5.433	5.346	5.433	5.433
Thunder Village Metropolitan Dist	-	-	-	-

Source: Pueblo County Abstract of Assessment

Year Taxes are Payable

2010	2011	2012	2013	2014	2015
29.999	29.999	29.999	29.999	29.999	29.999
0.867	0.840	0.767	0.708	0.703	0.698
0.252	(0.140)	-	-	-	-
-	0.978	0.106	0.252	0.048	0.072
31.118	31.677	30.872	30.959	30.750	30.769
12.058	14.466	15.621	15.867	16.613	17.397
15.633	15.633	15.633	15.633	15.633	15.633
6.771	6.888	6.972	6.972	6.972	6.972
37.525	36.207	36.104	37.044	37.861	40.834
37.511	37.389	32.263	36.123	36.098	33.500
36.629	38.811	34.324	36.032	35.573	35.234
40.804	39.297	39.297	39.243	39.033	39.995
10.641	10.641	10.641	10.641	10.641	10.641
5.000	5.000	3.000	3.000	3.000	3.000
7.000	7.000	7.000	13.500	13.500	13.500
1.071	1.071	1.071	1.071	1.071	1.071
17.967	17.967	17.967	17.967	17.967	17.967
9.000	9.000	9.000	9.000	9.000	9.000
4.109	4.057	3.900	3.777	3.410	2.770
1.502	1.502	1.502	1.502	1.503	1.503
-	1.650	18.760	18.760	18.760	18.760
14.391	14.352	15.115	15.196	16.348	15.369
5.302	5.413	5.268	5.293	5.258	5.255
24.268	24.268	24.268	24.268	24.268	24.268
20.193	20.193	20.193	20.193	20.193	19.838
10.036	10.036	10.036	10.036	10.036	10.036
5.000	5.000	5.000	5.000	5.000	5.000
0.940	0.947	0.947	0.944	0.940	0.941
4.090	4.250	4.250	4.190	4.250	4.019
5.433	5.433	5.433	5.433	5.433	5.433
-	5.000	5.000	5.000	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
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
2013	62,804	596,087	2,685	300,801	226,488	11,222	469,730
2014	53,676	564,333	2,986	303,331	217,626	12,901	397,347
2015	52,973	569,105	2,948	303,058	221,464	13,056	399,304

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 2006 to 2015 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
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%
1,669,818	30.96	11,191,118	155,686	14.921%
1,552,200	30.75	10,895,124	163,999	14.247%
1,561,908	30.77	10,573,120	163,795	14.772%

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

Taxpayer	<u>2015</u>			<u>2006</u>		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Public Service Company of Colorado	229,707,300	1	14.71%	52,601,600	1	4.97%
GCC Rio Grande Inc	72,506,188	2	4.64%			
Black Hills Colorado Electric	71,527,400	3	4.58%			
Intermountain Rural Electric	48,690,900	4	3.12%			
Black Hills Colorado IPP LLC	40,355,200	5	2.58%			
Vestas Towers America Inc	36,862,197	6	2.36%			
EVRAZ (Rocky Mountain Steel Mills)	25,436,974	7	1.63%	24,832,340	2	2.35%
Union Pacific Railroad Co	19,595,569	8	1.25%	7,302,300	5	0.69
Qwest Corporation	18,677,600	9	1.20%	15,115,400	3	1.43%
Holy Cross Electric Assn Inc	17,587,600	10	1.13%			
Aquila/ Westplains Energy				9,916,000	4	0.94%
Trane Company				7,126,100	6	0.67%
B F Goodrich Aerospace Company				7,100,700	7	0.67%
BNSF Railroad				7,029,300	8	0.66%
Dayton Hudson Company				6,277,450	9	0.59%
Parkview Medical Center				3,665,960	10	0.35%
Total	<u>580,946,928</u>		<u>37.20%</u>	<u>140,967,150</u>		<u>13.32%</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 Per Capita	
Fiscal Year Ended December 31,	General Obligation Library Bonds	Limited Tax General Obligation Bonds	Total	Less Debt Service Fund	Net	(a)	(b)
2006	14,263,346	3,626,371	17,889,717	1,528,229	16,361,488	0.16 %	87
2007	12,872,715	2,859,500	15,732,215	1,668,467	14,063,748	0.14 %	76
2008	11,426,366	2,061,911	13,488,277	1,746,155	11,742,122	0.10 %	65
2009	9,912,837	1,232,373	11,145,210	1,184,675	9,960,535	0.09 %	58
2010	8,339,859	369,607	8,709,466	666,170	8,043,296	0.08 %	51
2011	7,230,040	-	7,230,040	105,402	7,124,638	0.07 %	47
2012	6,903,339	-	6,903,339	103,376	6,799,963	0.06 %	41
2013	6,032,487	-	6,032,487	105,457	5,927,030	0.05 %	37
2014	5,126,635	-	5,126,635	106,062	5,020,573	0.05 %	31
2015	4,175,783	-	4,175,783	107,076	4,068,707	0.04 %	25

Note: For details on the County's outstanding debt, see the notes to the financial statements starting on page 54.

(a) See page 139 for property value data.

(b) Population data can be found on page 148.

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
2006	14,263,346	-	113,878	6,339,728	163,809
2007	12,872,715	-	1,147,738	6,162,667	255,631
2008	11,426,366	11,337,531	863,065	5,967,309	186,508
2009	9,912,837	37,544,587	598,655	5,748,474	113,689
2010	8,339,859	36,486,559	311,606	5,510,923	173,281
2011	7,230,040	35,393,531	1,921,064	5,259,963	118,503
2012	6,903,339	93,552,476	1,874,015	5,483,408	58,887
2013	6,032,487	91,965,148	1,528,390	5,125,569	29,950
2014	5,126,635	90,322,820	1,170,218	4,752,316	-
2015	4,175,783	88,615,492	796,548	4,363,632	-

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)
757,000	704,878	1,333,895	23,676,534	0.59 %	155
457,000	812,483	1,570,538	23,278,772	0.69 %	150
457,000	957,979	1,814,582	33,010,340	0.97 %	211
457,000	1,109,381	2,054,111	57,538,734	1.70 %	362
457,000	1,279,813	2,314,661	54,873,702	1.64 %	345
457,000	1,279,813	2,632,273	54,292,187	1.72 %	338
457,000	1,279,813	2,950,055	112,558,993	3.25 %	697
457,000	1,279,813	3,268,533	109,686,890	3.04 %	685
457,000	1,279,813	3,577,295	106,686,097	3.00 %	667
457,000	1,279,813	3,886,158	103,574,426	2.84 %	645

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**PUEBLO COUNTY, COLORADO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015**

<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	\$ 23,643,054	100.000 %	\$ 23,643,054
School District # 60	52,480,000	100.000 %	52,480,000
School District # 70	85,980,000	100.000 %	85,980,000
Pine Drive Water District	198,133	100.000 %	198,133
Town of Rye	214,831	100.000 %	214,831
Fowler R4J	800,000	31.450 %	251,600
Pueblo City-County Library District	10,105,000	100.000 %	10,105,000
Thunder Village Special District	<u>6,500,000</u>	100.000 %	<u>6,500,000</u>
Subtotal, Overlapping Debt	179,921,018	100.306 %	<u>\$ 179,372,618</u>
County Direct Debt	<u>88,615,492</u>		
Total Direct and Overlapping Debt	<u>\$ 268,536,510</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			
	2006	2007	2008	2009
Debt limit	\$ 260,147	\$ 292,995	\$ 301,631	\$ 311,294
Total Debt Applicable to Limit	<u>3,626</u>	<u>2,859</u>	<u>2,062</u>	<u>1,232</u>
Legal Debt Margin	<u>\$ 256,521</u>	<u>\$ 290,136</u>	<u>\$ 299,569</u>	<u>\$ 310,062</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00 %	0.98 %	0.68 %	0.40 %

**Legal Debt Margin Calculation
for Fiscal Year 2015:**

Actual Value (a)	11,976,196
Debt Limit (3% of Actual Value)	359,286
Debt Applicable to Limit - General Obligation Bonds	<u>-</u>
Legal Debt Margin	<u><u>359,286</u></u>

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: 2015 County Abstract of Assessment

Note: From 2003 through 2015, the margin was 3% of actual value. General Obligation Library Bonds are excluded by state statute from legal debt margin requirements.

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 317,772	\$ 323,339	\$ 335,734	\$ 320,455	\$ 329,538	\$ 359,286
<u>370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 317,402</u>	<u>\$ 323,339</u>	<u>\$ 335,734</u>	<u>\$ 320,455</u>	<u>\$ 329,538</u>	<u>\$ 359,286</u>
0.12 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

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

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Education Level Percent of High School Graduates	School Enrollment
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
2013	160,172	3,605,312	22,509	39.3	74.8%	27,247
2014	160,022	3,557,449	22,231	39.0	80.8%	26,279
2015	160,685	3,647,550	22,700	39.2	75.1%	27,270

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)
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%	56	70,137	180	34,808
9.6%	42	17,588	159	28,935
7.3%	70	32,949	386	44,084
6.4%	78	39,377	223	37,938

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

Employer	Employees	2015 Rank	Percentage of Total County		2006 Rank	Percentage of Total County Employment
			Employment	Employees		
Parkview Medical Center	2,700	1	3.76 %	1,872	2	3.30 %
Pueblo City Schools (District 60)	1,800	2	2.51 %	2,419	1	4.27 %
St Mary Corwin Hospital	1,239	3	1.73 %	1,100	3	1.94 %
WalMart	1,200	4	1.67 %	934	8	1.65 %
Colorado Mental Health Department	1,200	4	1.67 %	976	7	1.72 %
Evraz, Inc.	1,153	6	1.61 %	-	-	- %
School District #70	1,101	7	1.53 %	1,023	5	1.80 %
Pueblo County	1,064	8	1.48 %	1,048	4	1.85 %
Vestas	800	9	1.12 %	-	-	- %
City of Pueblo	620	10	0.86 %	-	-	- %
Express Scripts	600	11	0.84 %	-	-	- %
Loaf N Jug	540	12	0.75 %	-	-	- %
CSU-Pueblo	523	13	0.73 %	-	-	- %
RMS Call Center	520	14	0.72 %	-	-	- %
Convergys	500	15	0.70 %	1,000	6	1.76 %
Target Distribution	500	15	0.70 %	-	-	- %
Trane	450	17	0.63 %	-	-	- %
AT&T Call Center	350	18	0.49 %	-	-	- %
Pueblo Community College	345	19	0.48 %	-	-	- %
Mission Foods	320	20	0.45 %	-	-	- %
Interim Health	315	21	0.44 %	-	-	- %
Pueblo Community Healthcare	300	22	0.42 %	-	-	- %
Sangre de Cristo Hospice	300	22	0.42 %	-	-	- %
Pueblo Army Depot	280	24	0.39 %	-	-	- %
INNOTRAC	270	25	0.38 %	-	-	- %
TTCI	270	25	0.38 %	-	-	- %
Safeway Stores	262	27	0.37 %	-	-	- %
Xcel Energy	245	28	0.34 %	-	-	- %
UTC Aerospace	215	29	0.30 %	-	-	- %
Goodrich Corporation	200	30	0.28 %	-	-	- %
Total	20,182		28.15 %	10,372		18.29 %
Total County	71,740		100.00 %	56,695		100.00 %

NOTE: Includes those with 200 or more employees.

Source: Pueblo Economic Development Corporation

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

Function/Program	Fiscal Year				
	2006	2007	2008	2009	2010
Sheriff's Office					
Calls for Service:					
Law Enforcement	21,981	24,886	25,583	22,349	26,285
Fire	1,290	1,142	1,208	1,279	1,242
Medical Emergency	2,569	2,665	3,289	2,891	3,113
Physical Arrests	2,991	2,985	2,999	3,023	2,829
Traffic Violations	2,957	2,929	3,325	3,047	2,413
Detention					
Jail Population, Daily-Average	596	559	529	546	558
Public Works					
Customer Service Requests	185	204	177	207	238
Crushed Gravel (Tons)	75,000	103,048	104,018	110,000	67,000
Roads Chip Sealed (Miles)	32	21	33	35	15
Roads Dust Treated (Miles)	91	97	97	106	178
Roads Striped (Miles)	111	107	108	113	113
Recreation					
Golf Course Rounds	23,910	22,132	23,371	23,663	22,986
Golf Annual-Pass Holders	163	158	187	164	182

Source: County departments

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

Fiscal Year

2011	2012	2013	2014	2015
27,656	27,834	28,576	28,890	31,207
1,356	1,598	1,551	1,439	1,373
3,388	3,502	3,585	3,698	4,211
2,804	2,840	3,450	3,457	4,172
2,712	2,412	2,289	2,786	3,061
601	613	615	672	837
194	215	296	267	394
95,134	76,094	77,996	80,000	-
16	14	14	31	15
106	108	109	104	104
105	105	105	105	105
22,732	24,387	24,260	26,306	26,633
189	192	182	162	179

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

Function/Program	Fiscal Year				
	2006	2007	2008	2009	2010
Law Enforcement					
Stations	2	2	2	2	2
Zone Offices	3	3	3	3	3
Patrol Units	52	55	49	50	66
Public Works					
Paved Roads Maintained (Miles)	476	483	491	571	571
Gravel Roads Maintained (Miles)	735	728	720	640	640
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				
2011	2012	2013	2014	2015
2	2	2	2	2
3	3	3	3	3
68	67	68	68	68
571	571	571	494	494
640	640	640	713	713
151	151	151	151	151
7	7	8	8	8
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				
	2006	2007	2008	2009	2010
General Government					
County Commissioners	7	8	8	8	8
County Attorney	8	8	9	9	9
County Surveyor	1	1	1	1	1
County Clerk/Recorder	34	34	36	35	33
Election	6	7	7	7	7
Treasurer	17	17	17	15	15
Assessor	32	30	32	29	29
District Attorney	62	65	64	63	61
Office of Budget	8	9	9	9	8
Purchasing	3	4	3	3	3
Human Resources	8	5	5	6	6
Planning and Development	11	12	10	10	9
Information and Computer Services	26	28	27	29	29
Fleet & Equipment Management	4	4	4	4	4
Facilities	56	56	55	58	56
GIS	4	4	4	5	5
Retirement	1	1	1	1	1
Total General Government	288	293	292	292	284
Public Safety					
Law Enforcement	95	98	101	103	103
Detention	170	183	181	181	181
Dispatch	16	15	17	17	18
Emergency Management	10	10	11	11	11
Coroner	1	4	4	4	4
Community Corrections Administration	-	-	-	-	-
Total Public Safety	292	310	314	316	317
Highways and Streets					
Road and Bridge	79	81	82	81	78
Health and Welfare					
Housing & Human Services	33	33	31	33	45
Social Services	289	284	299	302	302
Aging Services	3	3	3	3	3
Veterans Services	3	3	3	3	3
Total Health and Welfare	328	323	336	341	353
Culture and Recreation					
Parks	4	4	4	4	4
Conservation					
CSU Extension	5	5	5	5	5
Economic Development Administration					
	1	1	1	1	1
Total	997	1,017	1,034	1,040	1,042

Source: County Payroll Department

Full-time Equivalent Employees as of December 31

2011	2012	2013	2014	2015
8	8	8	7	8
9	9	9	10	9
1	1	1	1	1
33	35	35	31	31
8	7	8	8	9
15	12	16	15	16
29	28	27	25	26
61	62	57	61	61
7	7	6	7	6
3	3	3	3	3
6	6	6	6	6
10	9	10	10	10
28	28	28	29	27
4	4	4	4	4
51	58	62	60	59
4	5	5	6	6
1	1	1	1	1
<u>278</u>	<u>283</u>	<u>286</u>	<u>284</u>	<u>283</u>
113	113	110	111	110
176	180	181	198	195
18	19	19	15	18
12	12	15	16	15
4	4	1	1	1
-	2	2	2	2
<u>323</u>	<u>330</u>	<u>328</u>	<u>343</u>	<u>341</u>
74	80	77	73	73
40	28	21	22	23
319	320	308	331	350
3	3	3	3	3
3	3	3	3	3
<u>365</u>	<u>354</u>	<u>335</u>	<u>359</u>	<u>379</u>
4	4	-	-	3
5	5	5	5	5
-	-	-	-	-
<u>1,049</u>	<u>1,056</u>	<u>1,031</u>	<u>1,064</u>	<u>1,084</u>

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GOVERNMENT AUDITING STANDARDS
AND
UNIFORM GUIDANCE REPORTS

PUEBLO COUNTY, COLORADO
GOVERNMENT AUDITING STANDARDS AND UNIFORM GUIDANCE REPORTS
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**PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015**

SECTION I - SUMMARY OF INDEPENDENT AUDITORS' RESULTS

FINANCIAL STATEMENTS

An unmodified opinion was rendered on the basic financial statements of Pueblo County as of and for the year ended December 31, 2015 that were prepared in accordance with generally accepted accounting principles.

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? X Yes _____ None Reported

An unmodified opinion was issued on compliance for major programs.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X Yes _____ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.551, 10.561	Supplemental Nutrition Assistance Program Cluster
10.565, 10.568, 10.569	Food Distribution Cluster
93.044, 93.045, 93.053	Aging Cluster
93.558	Temporary Assistance for Needy Families (TANF)
93.563	Child Support Enforcement

Dollar threshold used to distinguish between type A and type B programs: \$1,031,256

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

**PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015**

SECTION II - FINANCIAL STATEMENT FINDINGS

No reported financial statement findings.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2015-001

Federal Agency:	U.S. Department of Health and Human Services
CFDA#s:	93.558 - Temporary Assistance for Needy Families (TANF)
Pass-through entity:	Colorado Department of Human Services

Criteria or specific requirement: Only a financially needy family that consists of, at a minimum, a minor child living with a parent or other caretaker relative, or a pregnant woman may receive TANF “assistance” or most maintenance-of-effort (MOE)-funded benefits, services, or “assistance” regardless of the TANF purpose that the expenditure is reasonably calculated to accomplish (see III.A.3.a, “Activities Allowed or Unallowed – *Federal Only, Commingled Federal/State, Segregated State, Separate State Program*”). The child must be less than 18 years old, or, if a full-time student in a secondary school (or the equivalent level of vocational or technical training), less than 19 years old.

Condition: Based upon the review of documentation provided to us and inquiries of County personnel, it was determined that the County did not maintain a system sufficient to insure and document compliance with the eligibility requirements.

Questioned costs: The questioned costs for the benefits received totaled \$604.

Context: We selected sixty individual recipient files and found that one file was missing required citizenship documentation. The benefits paid to this recipient in 2015 totaled \$604. Although individually this is not significant, when this error rate is extrapolated across the total population, the potential unsupported benefit payments could be significant.

Effect: The County is unable to support compliance with the eligibility requirements identified above for the household which received benefits during 2015.

Cause: The County does not have effective internal controls over obtaining all eligibility documentation required to receive TANF benefits.

Recommendations: We continue to recommend the County develop procedures that will ensure that proper documentation supporting eligibility determination be retained for the required time period.

Views of responsible officials and planned corrective actions: We agree with the above finding and have implemented an appropriate corrective action plan.

**PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015**

Finding 2015-002

Federal Agency: U.S. Department of Agriculture
CFDA#: 10.551 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
Pass-through Entity: Colorado Department of Human Services

Criteria or specific requirement: Funds made available for administrative costs must be used to screen and certify applicants for program benefits, issue benefits to eligible households, conduct fraud investigations and prosecutions, provide fair hearings to households for which benefits have been denied or terminated, conduct nutrition education activities, prepare financial and special reports, operate automated data processing (ADP) systems, monitor subrecipients (where applicable), and otherwise administer the program.

Condition: Each month the County enters their salary information into CFMS. The state uses this information to determine the salary allocation to each program. Errors existed in the payroll expenditures allocated to Adult Eligibility within the SNAP program.

Questioned Costs: There were no reportable questioned costs related to this finding.

Context: Audit procedures were performed on employee payroll to test the County's internal controls over the allocation of payroll expenditures related to this program. In performing these procedures, we noted that monthly salaries for two employees were inappropriately coded to the SNAP program. The observed errors in allocation totaling \$5,358 occurred during a two-month period and appeared to be isolated based on other testing performed.

Effect: Federal expenditures were overstated and the SNAP program was charged for the payroll of employees who were working on other federal programs rather than SNAP.

Cause: The individual responsible for determining and recording the payroll allocation was new to the position and had not received appropriate training or written instruction on how to properly allocate payroll.

Recommendation: We recommend the County establish effective internal controls, employee training programs and written procedures that ensure payroll expenditures are coded to the correct federal program.

Views of responsible officials and planned corrective actions: We agree with the above finding and have implemented an appropriate corrective action plan.

PUEBLO COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2015

Finding 2014-001: Accrual of Expenditures

Criteria or specific requirement: Expenditures should be recorded in the period in which the liability is incurred.

Context/Effect/Cause: Based on audit procedures performed, we noted that expenditures and related accounts payable within particular opinion units were understated by \$341,750. The understatement was due to the issuance of warrants in 2015 that represented 2014 expenditures. We also noted an instance wherein a warrant was issued in 2015 and recorded as a 2014 expenditure when in fact it represented a 2015 expenditure. The County's internal procedures provide that each department is responsible for identifying applicable invoices and vouchers and recording those transactions in the proper period.

Recommendation: We continued to recommend the County establish procedures at the finance department level to verify that expenditures are recorded in the proper period. Those procedures should address the risk that accruals may have been improperly recorded at the department level.

Views of responsible officials and planned corrective actions: We agreed with the above finding. All departments, beginning January 1, 2015, were required to send back-up, for all warrants issued, to the Budget and Finance Department rather than filing invoices, purchase orders, packing slips, etc. in their own office. With this change, accounting staff in the Budget and Finance Office can more effectively review invoices and check that expenditures are recorded in the proper period.

Current Status: Corrective action taken.

Finding 2014-002: Year-end Inventory Adjustment

Criteria or specific requirement: The County has elected to use the consumption method of accounting for inventory in it relates to inventory in its governmental funds. The use of this method requires County personnel to determine the actual amounts of inventory on hand at year end, so that appropriate accounting entries can be made at that time.

Context/Effect/Cause: Within the Road and Bridge fund, the County holds inventory of maintenance-related parts and road repair materials. Based on audit procedures performed, we noted that a physical inventory count of the inventory items was not performed at December 31, 2014 and, as such, the accounting records did not reflect any such necessary adjustment. In addition, it was noted that the County's inventory in the road and bridge fund was, for the most part, represented by road repair materials that are not subject to any physical measurement but inventories of each material are based largely on vendor reports and scales in estimating inventory on hand.

Recommendation: We suggested that County personnel establish procedures with respect to the inventories reported in the road and bridge fund that include timely inventory counts, particularly at year end. These procedures should also include the development of specific methods of measurement of road materials on hand.

Views of responsible officials and planned corrective actions: We agreed with the above finding and will establish procedures to ensure that accurate and timely physical inventory counts are completed.

Current Status: Corrective action taken.

PUEBLO COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2015

Finding 2014-003

Federal Agency: U.S. Department of Health and Human Services
CFDA#s: 93.575 – Child Care and Development Block Grant
93.596 – Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Pass-through Entity: Colorado Department of Human Services

Criteria or specific requirement: For individuals to be eligible for services, children must be under age 13 (or up to age 19, if incapable of self-care or under court supervision), who reside with a family whose income does not exceed 85 percent of State/territorial/tribal median income for a family of the same size, and reside with a parent (or parents) who is working or attending a job-training or education program; or are in need of, or are receiving, protective services as prescribed in 45 CFR section 98.20(a).

Condition: Based upon our review of documentation provided and inquiries of County personnel, it was determined that the County did not maintain a system of internal control sufficient to ensure and document compliance with the eligibility requirements. Specifically, we were not able to locate two of the sixty files selected for eligibility testing. Therefore, we were not able to determine whether eligibility was properly determined on these two households.

Questioned Costs: The questioned costs relating directly to the amounts paid for the benefits provided to these two households during calendar year 2014 totaled \$1,589.

Effect: The County was unable to support compliance with eligibility requirements identified above for two households which received benefits during 2014.

Cause: The County did not have effective internal controls over file maintenance and filing processes.

Recommendation: We continued to recommend the County develop and institute procedures that will ensure that proper documentation supporting eligibility determination be retained for the required time period. These procedures should facilitate reasonable access to this information at any time during the required retention period.

Views of responsible officials and planned corrective actions: We agreed with the above finding and in mid-August 2015, we changed our business processes related to new files delivered to the file room. Incoming files are now immediately assigned their unique identifiers, entered into our systems and properly shelved, instead of being queued for later processing. As a result, our newer more active files can be quickly located and we are not adding to the backlog of unprocessed files.

We also employed temporary staff to work on the backlog of files that are in boxes while we addressed the longer term staffing issues. We anticipated being caught up with the backlog by early second quarter 2016.

Current Status: Corrective action taken.

PUEBLO COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2015

Finding 2014-004

Federal Agency:	U.S. Department of Health and Human Services
CFDA#s:	93.558 - Temporary Assistance for Needy Families (TANF)
Pass-through entity:	Colorado Department of Human Services

Criteria or specific requirement: Only a financially needy family that consists of, at a minimum, a minor child living with a parent or other caretaker relative, or a pregnant woman may receive TANF “assistance” or most maintenance-of-effort (MOE)-funded benefits, services, or “assistance” regardless of the TANF purpose that the expenditure is reasonably calculated to accomplish (see III.A.3.a, “Activities Allowed or Unallowed – *Federal Only, Commingled Federal/State, Segregated State, Separate State Program*”). The child must be less than 18 years old, or, if a full-time student in a secondary school (or the equivalent level of vocational or technical training), less than 19 years old.

Condition: Based upon our review of documentation provided to us and inquiries of County personnel, it was determined that the County did not maintain a system of internal control sufficient to insure and document compliance with the eligibility requirements. Specifically, we were not able to locate one of the sixty case files selected for testing. Therefore, we were not able to determine eligibility of this household.

Questioned Costs: The questioned costs for the benefits received by the one file totaled \$1,341.

Effect: The County was unable to support compliance with the eligibility requirements identified above for the household which received benefits during 2014.

Cause: The County did not have effective internal controls over file maintenance and filing processes.

Recommendation: We recommended that the County develop procedures that will ensure that proper documentation supporting eligibility determination be retained for the required time period.

Views of responsible officials and planned corrective actions: We agreed with the above finding and in mid-August 2015, we changed our business processes related to new files delivered to the file room. Incoming files are now immediately assigned their unique identifiers, entered into our systems and properly shelved, instead of being queued for later processing. As a result, our newer more active files can be quickly located and we are not adding to the backlog of unprocessed files.

We also employed temporary staff to work on the backlog of files that are in boxes while we addressed the longer term staffing issues. We anticipated being caught up with the backlog by early second quarter 2016.

Current Status: Corrective action taken.



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

503 N. Main Street, Suite 740

Pueblo, CO 81003-3131

Phone (719) 543-0516

Fax (719) 544-2849

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

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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 26, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, 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.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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.

McPherson, Bryozzi, Dawkins & Goodrich, PC

August 26, 2016

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

503 N. Main Street, Suite 740

Pueblo, CO 81003-3131

Phone (719) 543-0516

Fax (719) 544-2849

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

Board of County Commissioners
Pueblo County, 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 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, 2015. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2015-002. Our opinion on each major federal program is not modified with respect to these matters.

The County of Pueblo, Colorado's response to the noncompliance finding 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 compliance and, accordingly, we express no opinion on the responses.

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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-001 that we consider to be a significant deficiency.

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The County's response to internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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

McPherson, Pruyff, Dewhurst & Goodrich, PC

August 26, 2016

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PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

<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>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed through Colorado Department of Agriculture - Specialty Crop Block Grant Program	10.170	CTGG1 BMAA 2015002449		42,410
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		1,586,427
Supplemental Nutrition Assistance Enhanced Workfare	10.551	Not available		197,550
Total SNAP Cluster				1,783,977
Food Distribution Cluster - Commodity Supplemental Food Program (Admin)	10.565	Not available		109,971
Commodity Supplemental Food Program (Commodities - Non-Cash)	10.565	Not available		268,529
Passed through Care & Share - Emergency Food Assistance Program (Administrative Costs)	10.568	Not available		10,001
Emergency Food Assistance Program (Food Commodities - Non-Cash)	10.569	Not available		458,480
Total Food Distribution Cluster				846,981
TOTAL U.S. DEPARTMENT OF AGRICULTURE				2,673,368
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed through Colorado Department of Local Affairs - Emergency Shelter Grants Program	14.231	H5ESG14932		24,000
Community Development Block Grant	14.228	F15CDB14594		116,000
Passed through City of Pueblo, Colorado - Community Development Block Grant	14.218	CD1310, F09CDB09084		102,339
Home Investment Partnership Program	14.239	Not available		6,465
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				248,804
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Direct Assistance - State Criminal Alien Assistance Program	16.606	Not available		19,044
Federal Forfeiture Funds	16.922	Not available		132,359
Passed through Colorado Department of Public Safety Division of Criminal Justice - Juvenile Accountability Incentive Block Grant	16.523	11-JB-L-10-05		70,933
Supervised Visitation, Safe Havens for Children	16.527	2009-CW-AX-K001		123,764
Crime Victim Assistance (DA)	16.575	2014-VA-GX-0002		33,410
Crime Victim Assistance (Sheriff)	16.575	14-VA-10-54		76,113
Violence Against Women Formula Grants	16.588	2014-WF-AX-0016		42,744
Edward Byrne Memorial Justice Assistance Grant	16.738	2015-MU-BX-0390		10,368
TOTAL U.S. DEPARTMENT OF JUSTICE				508,735

The accompanying notes are an integral part of this schedule.

PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
YEAR ENDED DECEMBER 31, 2015

<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>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Passed through Colorado Department of Transportation -				
Highway Planning and Construction	20.205	15 HA2 73574		<u>11,696</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>11,696</u>
<u>U.S. DEPARTMENT OF ENERGY</u>				
Passed through Colorado Office of Energy Conservation -				
State Energy Program	81.041	C900850 & C900895		207,448
Weatherization Assistance for Low-Income Persons	81.042	C900850 & C900896		6,000
Weatherization Assistance CIP	81.042	C900850 & C900896		<u>101,941</u>
TOTAL U.S. DEPARTMENT OF ENERGY				<u>315,389</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		2,491
Title VII - Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals				
	93.042	Not available		8,850
Title III, Part D - Disease Prevention and Health Promotion Services				
	93.043	Not available	14,722	14,722
Aging Cluster -				
Title III, Part B - Grants for Supportive Services and Senior Centers				
	93.044	Not available	136,292	159,575
Title III, Part C - Nutrition Services				
	93.045	Not available	407,497	384,859
Nutrition Services Incentive Program (USDA)				
	93.053	Not available	<u>92,608</u>	<u>92,608</u>
Total Aging Cluster			<u>636,397</u>	<u>637,042</u>
Title III, Part E - National Family Caregiver Support Affordable Care Act-MIPPA				
	93.052	Not available	78,183	78,183
	93.518	Not available	67,719	67,719
Temporary Assistance to Needy Families				
	93.558	Not available		10,215,596
Title IV-D, Child Support Enforcement				
	93.563	Not available		1,406,813
Low-Income Home Energy Assistance (DSS)				
	93.568	Not available		4,430,591
Low-Income Home Energy Assistance (HHS)				
				388,695
Child Care Cluster -				
Child Care & Development Block Grant				
	93.575	Not available		153,615
Child Care Mandatory and Matching Funds of the Child Care and Development Fund				
	93.596	L15CSBG37		1,153,038
Child Welfare Services-State Grants Title IV-B				
	93.645	Not available		106,599
Foster Care - Title IV-E				
	93.658	Not available		2,499,747
Adoption Assistance				
	93.659	Not available		974,044
Social Services Block Grant - Title XX				
	93.667	Not available		422,118
Chafee Foster Care Independence Program				
	93.674	Not available		107,823
Title XIX, Medicaid Medical Assistance Program				
	93.778	Not available		1,843,188

The accompanying notes are an integral part of this schedule.

PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
YEAR ENDED DECEMBER 31, 2015

<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>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Cont'd)</u>				
Passed through Colorado Department of Health Care Policy and Financing -				
Children's Health Insurance Program	93.767	Not available	<u>169,067</u>	220,827
Medical Assistance Program (Healthy Communities Outreach and Case Management Program)-2011 SEP	93.778	Not available		29,954
Single Entry Point, Medical Assistance Program	93.778	Not available		900,490
Passed through Colorado Department of Local Affairs -				
Community Services Block Grant	93.569	Not available		<u>293,554</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>966,088</u>	<u>25,955,699</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Passed through Colorado Department of Emergency Management -				
Presidential Disaster Declaration Relief	97.036	FEMA-DR-4229-CO		108,191
Chemical Stockpile Emergency Preparedness	97.040	13CESP13PC & 14CSEP14PC & 12EM72252 & 11EM71B52 & 12EM71252		4,175,538
2012 Homeland Security Grant	97.067	12SHS13SR		343
2013 Homeland Security Grant	97.067	13SHS14SR		24,134
2014 Homeland Security Grant	97.067	14SHS15SR		209,303
2014 Emergency Management Performance Grant	97.042	14EM-15-52		72,000
2015 Emergency Management Performance Grant	97.042	15EM-16-52		<u>72,000</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				<u>4,661,509</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 966,088</u>	<u>\$ 34,375,200</u>

The accompanying notes are an integral part of this schedule.

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PUEBLO COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Pueblo County, Colorado (the County) under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

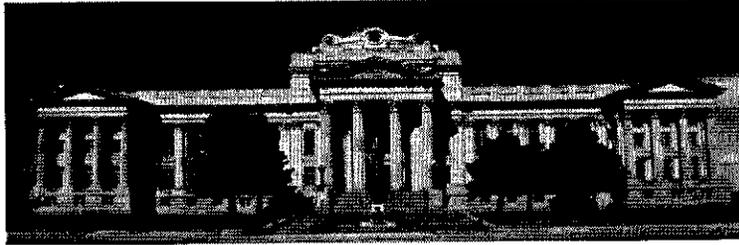
Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The County has elected not to use the 10 percent *de minimus* indirect cost rate allowed under the Uniform Guidance.

Liane "Buffie" McFadyen
Chair
District 2

Sal Pace
Chair Pro Tem
District 3



Terry A. Hart
District 1

Tim Hart
Director

Department of Social Services

August 26, 2016

Re: Single Audit Finding Response

The following is the Corrective Action Plan (CAP) related to the noted finding.

Corrective Action Plan (CAP)

Agency:	U.S. Department of Agriculture
Audit Period:	December 2015
Audit Finding No.:	2015-001
Audit Finding Title:	10.551-State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)
Specific Steps to be taken:	<p>1-Staff Training: The accounting manager was new to the position, beginning in June 2015. The accounting manager received new accountant training by a state-wide trainer in July 2015 and from CDHS staff in September 2015.</p> <p>2-Staff Duties Control: The accounting manager utilizes the weekly personnel report to update the organization chart. The organization chart is distributed to the other administrators monthly. The administrators review the organization chart for accuracy. Any inaccuracies are reported to the accounting manager, who corrects the org chart. The organization chart is then used as a source document to complete the labor distribution for payroll coding. The outcome will be correct coding of payroll expenses.</p> <p>3-The accountant will periodically review/compare the organization chart to the labor distribution for accuracy.</p>
Anticipated Completion Date:	<p>Step 1-completed September 2015</p> <p>Step 2-completed November 2015</p> <p>Step 3-completed August 2016</p>
Name(s) and Title(s) of contact person(s) responsible for corrective action:	LaDawn Stegman, Accounting Manager

Liane "Buffie" McFadyen
Chair
District 2

Sal Pace
Chair Pro Tem
District 3



Terry A. Hart
District 1

Tim Hart
Director

Department of Social Services

August 26, 2016

Re: Single Audit Finding Response

The following is the Corrective Action Plan (CAP) related to the noted finding.

Corrective Action Plan (CAP)

Agency:	U.S. Department of Health and Human Services
Audit Period:	December 2015
Audit Finding No.:	2015-002
Audit Finding Title:	93.558 -Temporary Assistance for Needy Families (TANF)
Specific Steps to be taken:	We failed to receive the proper documentation to support citizenship. When our system (CBMS) cannot verify citizenship through the SVES (State Verification and Exchange System) interface, paper documentation to support citizenship must be obtained from the applicant. The plan to ensure citizenship is obtained for all eligible CW members will be to provide training for CW Technicians. Two documents are available to assist with this training: "AF and CW Citizenship/Lawful Presence & Residence" and "Adult Financial & Colorado Works Interfaces". Effectiveness of the training will be evaluated during case reviews. Every month the county is sent a list of TANF cases to review. One of the items included on the review form is citizenship.
Anticipated Completion Date:	October 31, 2016
Name(s) and Title(s) of contact person(s) responsible for corrective action:	Karen Garcia, Administrator and Soledad Tafoya, Technician Manager

If you should have any questions or comments, please do not hesitate to contact me at tim.hart@dss.co.pueblo.co.us or by phone at 719-583-6962.

Sincerely,

Tim Hart
Pueblo County DSS Director

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