

Pueblo County, Colorado is pleased to present its comprehensive annual financial report for the year ending December 31, 2014 in .pdf format.

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PUEBLO COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FOR THE YEAR ENDING
December 31, 2014**

PUEBLO COUNTY, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2014

Prepared By:
Office of Budget & Finance

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Pueblo County, Colorado

Year Ended December 31, 2014

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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 TIHONOVICH
INTERIM FINANCE DIRECTOR

OFFICE OF BUDGET & FINANCE

September 16, 2015

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, 2014 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, 2014, 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, 2014 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 2014 unemployment rate of 7.3% was higher than the State's average of 4.9% and higher than the U.S. average of 6.1%. Pueblo County's rate has historically been higher than the State & federal rate. The region's Economic Development Council views the unemployment rate as a selling point in their work toward attracting new employers to the region as there is a strong workforce readily available for work. The County is optimistic this rate will decrease in the short term. The region (which includes the government and the surrounding unincorporated area) has a labor force exceeding 73,036 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 2014.

Library Debt Service Fund

In conformity with State statutory requirements, Pueblo County, on December 28, 1999, issued \$14,000,000 of general obligations bonds on behalf of the Pueblo Library District. The bond issue for library expansion was approved by voters on November 2, 1999. The County's debt service on the twenty (20) year bonds will be provided by a property tax mill levy. During 2005, a portion of these bonds were advanced refunded resulting in an economic gain for the County. The expanded facility is the property of the Pueblo Library District which received voter approval in 2006 to 'DeBruce' exempting the District from State Amendment One TABOR limits. In 2013, the Library District completed construction of four new branch offices and began construction of a fifth branch office at Colorado City in Pueblo County.

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, 2013. This was the sixteenth 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, Interim 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, 2013

Executive Director/CEO

**PUEBLO COUNTY, COLORADO
LISTING OF PRINCIPAL OFFICIALS
DECEMBER 2014**

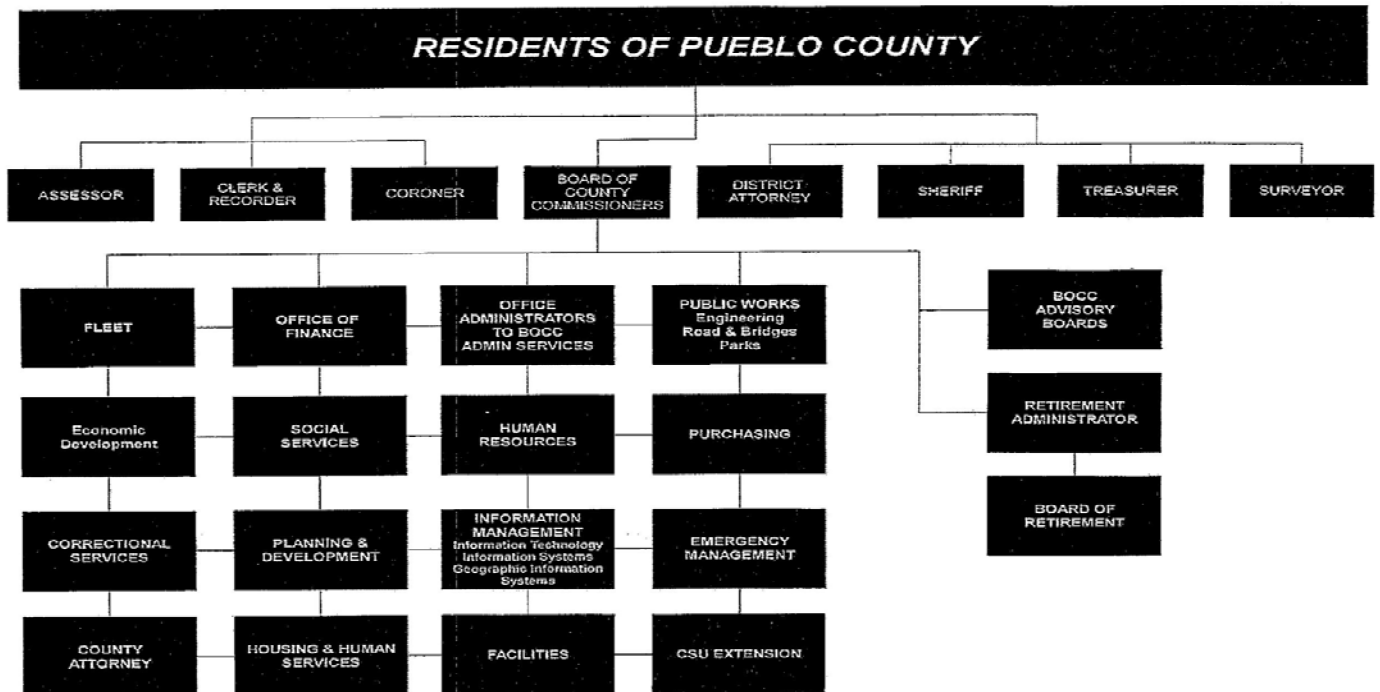
Elected Officials

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	Jim Kramer

Appointed Department Directors

County Attorney	Greg Styduhar
Human Resources	Patsy Cresswell
Interim Director, Office of Budget & Finance	Aimee Tihonovich
Information Technology	Ed Martinez
Purchasing	Nick Vunovich
Planning & Development	Joan Armstrong
Interim Director, 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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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, 2014, 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the budgetary comparison schedules and schedules of funding progress as listed in the table of contents on pages 80 through 87 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 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the basic financial statements.

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 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2015, 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.

McPherson, Brayfogel, Davison & Associates, PC

September 16, 2015

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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, 2014. We encourage you to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Overview of the Financial Statements

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

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

The *Statement of Net Position* and the *Statement of Activities* (on pages 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 \$154,496,443 as of December 31, 2014.

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 \$5,050,000. 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 \$21,757,562; 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 \$150,098,975 at the end of fiscal year 2013. Therefore, the results of 2014 activities of the Pueblo County primary government increased net position by \$4,397,468.

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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and Other Assets	\$ 109,789,669	\$ 118,880,754	\$ 881,621	\$ 970,107	\$ 110,671,290	\$ 119,850,861
Net Capital Assets	234,035,104	224,630,675	5,122,061	5,273,504	239,157,165	229,904,179
Total Assets	343,824,773	343,511,429	6,003,682	6,243,611	349,828,455	349,755,040
Deferred Outflows of Resources	317,231	382,871	360,592	425,151	677,823	808,022
Long-Term Liabilities	125,816,734	125,049,801	10,084,984	10,181,042	135,901,718	135,230,843
Other Liabilities	8,271,249	14,401,513	21,934	50,705	8,293,183	14,452,218
Total Liabilities	134,087,983	139,451,314	10,106,918	10,231,747	144,194,901	149,683,061
Deferred Inflows of Resources	51,814,934	50,781,026	-	-	51,814,934	50,781,026
Net Position						
Net Investment in Capital Assets	170,479,412	168,371,127	730,337	543,135	171,209,749	168,914,262
Restricted	5,044,256	4,355,457	-	-	5,044,256	4,355,457
Unrestricted	(17,284,581)	(19,064,624)	(4,472,981)	(4,106,120)	(21,757,562)	(23,170,744)
Total Net Position	<u>\$ 158,239,087</u>	<u>\$ 153,661,960</u>	<u>\$ (3,742,644)</u>	<u>\$ (3,562,985)</u>	<u>\$ 154,496,443</u>	<u>\$ 150,098,975</u>

Pueblo County's Change In Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program Revenues:						
Charges for Service	\$ 14,288,131	\$ 13,702,823	\$ 752,297	\$ 714,904	\$ 15,040,428	\$ 14,417,727
Operating Grants & Contributions	35,464,251	34,124,260	-	-	35,464,251	34,124,260
Capital Grants & Contributions	6,768,158	13,869,248	-	12,087	6,768,158	13,881,335
General Revenues:						
Property Taxes	46,080,419	45,381,465	-	-	46,080,419	45,381,465
Other Taxes	21,376,732	19,565,777	-	-	21,376,732	19,565,777
Unrestricted Investment Earnings	524,074	(18,717)	701	824	524,775	(17,893)
Other	90,017	62,772	-	-	90,017	62,772
Total Revenues	<u>124,591,782</u>	<u>126,687,628</u>	<u>752,998</u>	<u>727,815</u>	<u>125,344,780</u>	<u>127,415,443</u>
Expenses:						
General						
Government	28,304,667	28,324,590	-	-	28,304,667	28,324,590
Public Safety	31,400,549	29,433,895	-	-	31,400,549	29,433,895
Road & Bridge	14,554,339	15,804,649	-	-	14,554,339	15,804,649
Health, Welfare & Sanitation	32,148,244	30,489,071	-	-	32,148,244	30,489,071
Culture and Recreation	1,460,406	1,226,721	-	-	1,460,406	1,226,721
Conservation	761,856	639,794	-	-	761,856	639,794
Urban Redevelopment & Housing	1,919,984	2,466,132	-	-	1,919,984	2,466,132
Economic Development & Assistance	4,213,913	3,121,755	-	-	4,213,913	3,121,755
Interest on Long-Term Debt	4,941,935	5,043,974	-	-	4,941,935	5,043,974
Desert Hawk Golf Course	-	-	1,241,419	1,312,105	1,241,419	1,312,105
Total Expenses	<u>119,705,893</u>	<u>116,550,581</u>	<u>1,241,419</u>	<u>1,312,105</u>	<u>120,947,312</u>	<u>117,862,686</u>
Change in Net Position Before Transfers	4,885,889	10,137,047	(488,421)	(584,290)	4,397,468	9,552,757
Transfers	<u>(308,762)</u>	<u>(308,762)</u>	<u>308,762</u>	<u>308,762</u>	<u>-</u>	<u>-</u>
Change in Net Position	4,577,127	9,828,285	(179,659)	(275,528)	4,397,468	9,552,757
Net Position, Beginning	<u>153,661,960</u>	<u>143,833,675</u>	<u>(3,562,985)</u>	<u>(3,287,457)</u>	<u>150,098,975</u>	<u>140,546,218</u>
Net Position, Ending	<u>\$ 158,239,087</u>	<u>\$ 153,661,960</u>	<u>\$ (3,742,644)</u>	<u>\$ (3,562,985)</u>	<u>\$ 154,496,443</u>	<u>\$ 150,098,975</u>

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

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

The negative balance in net position for 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 decreased by 8% in 2014 over the prior year mostly due to spending the proceeds of COPs issued in March 2012 to fund construction of a new judicial building completed in 2014. An \$11.9 million or 73% decrease in restricted cash and investments was partially offset by an increase in cash largely resulting from receiving the third and final annual payments of \$5 million from the Colorado Springs Utility Company. These funds remained on-hand for future mitigation of road construction and maintenance for a new Southern Delivery System with a 60 inch diameter steel underground pipeline designed to deliver water from Lake Pueblo near the District to the City of Colorado Springs. Receivables net of allowances decreased \$3.2 million or 5% over the prior period mainly from a decrease in a General Fund federal grant receivable related to reimbursement on projects related to the federally funded Chemical Stockpile Emergency Preparedness Program (CSEPP).

Net capital assets increased \$9.4 million or 4% from the prior year mainly due to the new judicial building which was completed in 2014.

Liabilities decreased \$5.4 million or 4% over the prior year. Long-term liabilities increased \$.7 million or .6% mainly on increases in pension and OPEB related liabilities. Other liabilities decreased \$6.1 million or 43% due to lower accounts payable, and deferred inflows of resources increased \$1 million or 2% for a variety of reasons including a change in CSEPP deferred inflows and on more deferred property taxes revenue.

The pension plan experienced a net actuarial gain of \$3.3 million. The rate of return on the actuarial value of assets was about 8.2%, which exceeds the assumed rate of 7.5% by .7%, resulting in an asset gain of \$.5 million. The plan also experienced a liability gain of \$2.5 million, primarily from the remaining years of amortization of unfunded actuarial accrued liability being reset from 19 years as of January 1, 2014 to 30 years as of January 1, 2015. As a result, the actuarially required contribution rate decreased 2.714% from 24.807% in 2014 to 22.093% for 2015.

Net position increased \$5.0 million or 3.2% in the fiscal year as a result of governmental activities.

Business-Type Activities. Business-type activities decreased the County's net position by \$(179,659) in

2014. 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 \$8,095,448 while total fund balance was \$18,436,497. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 26% of General Fund expenditures in 2014 versus 24% in 2013. General Fund fund balance increased by \$2,213,549 in 2014. This increase in reserves is largely due to receiving over \$4 million in federal reimbursement for CSEPP expenditures incurred in 2013. The funds were received in 2014 although the expenditures were recorded in 2013, the 2014 reimbursement was received after the availability period for recognizing 2013 revenues.

Social Service fund balance increased by \$254,925 which is attributed to property tax revenues used as matching dollars for the various grant programs not being fully utilized in 2014.

Road and Bridge fund balance increased by \$4,792,480 due to receiving the third and final annual payment of \$5 million from the Colorado Springs Utilities Company as mentioned above under the "Governmental Activities" analysis.

Fund balance in the Non-Major Governmental Funds decreased by \$8,758,909 in 2014 mainly due to a reduction of \$8.95 million in the capital projects fund due to spending 2012 bond proceeds on final construction costs related to the new judicial building.

General Fund Budgetary Highlights. The County revised its 2014 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 2014 Other Administration department in the General fund was made to reduce the budget by \$13.4 million in order to properly represent the actual spending authority intended during the year. The Other Administration department originally had a place holder in the budget that was intended

to show estimated reserves ultimately available for county general fund purposes but there was no intent to spend these reserves.

Additional appropriation to the Conservation Trust fund in the amount of \$80,000 was made to account for higher than anticipated spending needs not anticipated in the original budget and was funded by reserves held in anticipation of this need.

Additional appropriation to the Enterprise Zone Agency Fund in the amount of \$500,000 was necessary in order to account for higher donation revenue received in the fund than anticipated in the original budget as such donations needed to be passed on to the intended non-for-profit agencies.

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 \$3,742,644. Other factors concerning the finances of this fund have already been addressed in the discussion of County's business-type activities.

Capital Assets and Debt Administration

Capital Assets. Pueblo County's capital assets for its governmental and business-type activities at December 31, 2014 total \$234,035,104 and \$5,122,061 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>	
	2014	2013	2014	2013	2014	2013
Nondepreciable	\$ 12,137,898	\$ 12,137,898	\$ 4,402,683	\$ 4,402,683	\$ 16,540,581	\$ 16,540,581
Buildings and						
Improvements	114,777,802	46,626,159	82,621	91,913	114,860,423	46,718,072
Machinery and Equipment	8,415,324	6,247,496	127,456	193,797	8,542,780	6,441,293
Improvements Other than						
Buildings	-	-	509,301	585,111	509,301	585,111
Infrastructure	88,361,189	91,890,279	-	-	88,361,189	91,890,279
Software Development	1,674,215	1,771,929	-	-	1,674,215	1,771,929
Construction in Progress	8,668,676	65,956,914	-	-	8,668,676	65,956,914
	<u>\$ 234,035,104</u>	<u>\$ 224,630,675</u>	<u>\$ 5,122,061</u>	<u>\$ 5,273,504</u>	<u>\$ 239,157,165</u>	<u>\$ 229,904,179</u>

More information on the County's capital assets can be found in the notes to the financial statements starting on page 49.

Long-Term Debt. As of December 31, 2014, Pueblo County had debt outstanding of \$101 million comprised of \$5 million of general obligation bonds, \$95 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>	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$ 5,126,635	\$ 6,032,487	\$ -	\$ -	\$ 5,126,635	\$ 6,032,487
Certificates of Participation	90,322,820	91,965,148	4,752,316	5,125,569	95,075,136	97,090,717
Subtotal	95,449,455	97,997,635	4,752,316	5,125,569	100,201,771	103,123,204
Capital Leases	1,170,218	1,528,390	-	29,950	1,170,218	1,558,340
Total Debt	<u>\$ 96,619,673</u>	<u>\$ 99,526,025</u>	<u>\$ 4,752,316</u>	<u>\$ 5,155,519</u>	<u>\$ 101,371,989</u>	<u>\$ 104,681,544</u>

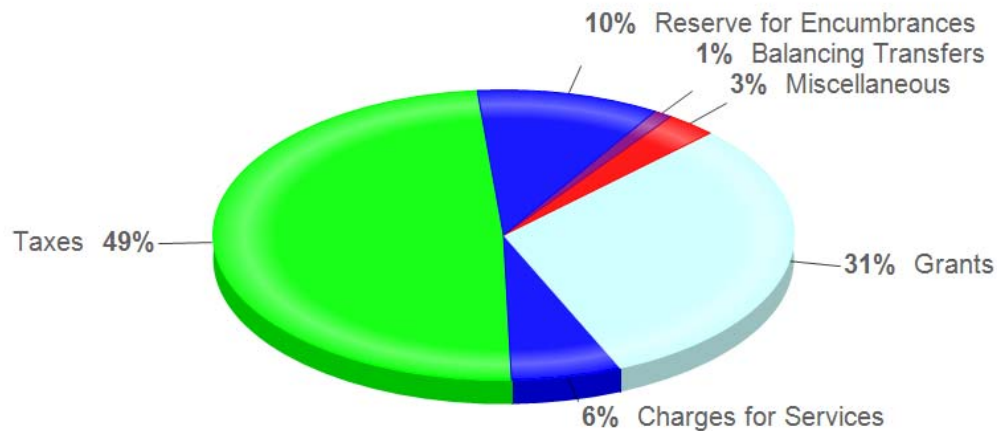
The County's long-term debt financed by General Obligation Bonds, Certificates of Participation and Capital Leases decreased by \$3,309,555 million or (3)% during the period.

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 \$329,537,685. 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 53.

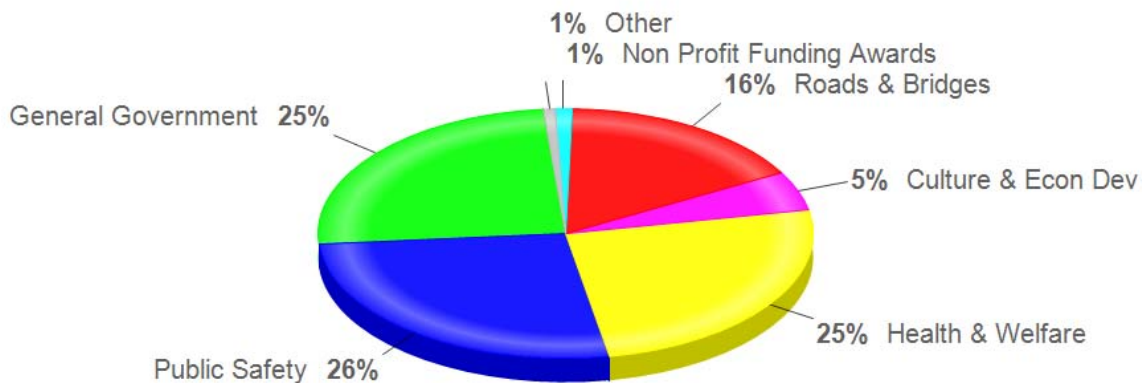
Projections

Next Year's Budget. The County's 2015 budget is balanced. The budgeted unassigned general fund balance available to the County for 2015 was \$8,095,448, the 2015 budget anticipates spending \$2.8 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 \$139 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 2015 budget.

- Denver-Boulder-Greeley CPI rose 2.8% to 237.2% in 2014.
- Employment increased by 1.0% or 468 jobs versus a 2.0% increase for the State in 2014.
- The County's average unemployment rate in 2014 decreased to 5.6% from 9.6% for the previous year. This is higher than the State average of 4.0% and matches the national average of 5.6%.
- The number of new single family dwelling permits issued in Pueblo County for the year stood at 149, compared to 80 for 2013. This translates into a 86% increase.
- Pueblo County Public Trustee data shows 666 foreclosure filings in 2014 or a 21.0% drop from the 839 filings reported for 2013.

Assigned fund balance in the General Fund ended the year at \$4,445,390 of which \$2,812,927 is included for spending in fiscal year 2015 budget. It is expected that the use of fund balance will avoid the need to raise taxes or reduce services in 2015.

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, Interim Budget and Finance Director, 215 W 10th St, 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, 2014

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 19,025,269	\$ 19,283	\$ 19,044,552	\$ 764,825
Investments	21,650,312	-	21,650,312	55,984
Receivables, Net	60,936,214	-	60,936,214	82,773
Internal Balances, Net	212,715	(212,715)	-	-
Inventories	1,112,487	-	1,112,487	-
Prepaid Expenses	1,102,655	-	1,102,655	-
Unamortized Bond Insurance Costs	1,310,642	-	1,310,642	-
Restricted Cash and Cash Equivalents	4,439,375	618,053	5,057,428	-
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	8,668,676	-	8,668,676	-
Collections and Works of Art	-	-	-	24,467
Non-Depreciable Capital Assets	20,806,574	4,402,683	25,209,257	24,467
Buildings and Improvements	114,777,802	82,621	114,860,423	-
Machinery and Equipment	8,415,324	127,456	8,542,780	249,677
Improvements other than Buildings	-	509,301	509,301	-
Infrastructure	88,361,189	-	88,361,189	-
Software Development	1,674,215	-	1,674,215	-
Depreciable Capital Assets, Net	213,228,530	719,378	213,947,908	249,677
Total Capital Assets, Net	234,035,104	5,122,061	239,157,165	274,144
TOTAL ASSETS	343,824,773	6,003,682	349,828,455	1,177,726
Deferred Outflows of Resources	317,231	360,592	677,823	-
LIABILITIES				
Accounts Payable and Accrued Expenses	7,751,621	10,959	7,762,580	77,377
Due to Other Governmental Agencies	509,628	-	509,628	-
Advances from Others	10,000	10,975	20,975	-
Liabilities Due or Payable in One-Year or Less:				
Accrued Interest	1,393,826	18,560	1,412,386	-
General Obligation Bonds	935,000	-	935,000	-
Certificates of Participation	1,585,000	395,000	1,980,000	-
Capital Leases	373,671	-	373,671	-
Compensated Absences	564,000	-	564,000	-
Estimated Claims and Judgments	610,098	-	610,098	-
Liabilities Due or Payable after One-Year:				
General Obligation Bonds, Net	4,191,635	-	4,191,635	-
Certificates of Participation, Net	88,737,820	4,357,316	93,095,136	-
Capital Lease	796,547	-	796,547	-
Advances from Other Government	-	5,314,108	5,314,108	-
Compensated Absences	7,426,360	-	7,426,360	-
Estimated Claims and Judgments	428,360	-	428,360	-
Net OPEB Obligation	2,695,154	-	2,695,154	-
Net Pension Obligation	16,079,263	-	16,079,263	-
TOTAL LIABILITIES	134,087,983	10,106,918	144,194,901	77,377
Deferred Inflows of Resources	51,814,934	-	51,814,934	-
NET POSITION				
Net Investment in Capital Assets	170,479,412	730,337	171,209,749	274,144
Restricted for:				
TABOR	2,500,000	-	2,500,000	-
Capital Projects	1,850,000	-	1,850,000	-
Other	694,256	-	694,256	-
Unrestricted	(17,284,581)	(4,472,981)	(21,757,562)	826,205
TOTAL NET POSITION	\$ 158,239,087	\$ (3,742,644)	\$ 154,496,443	\$ 1,100,349

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014

Function/Program Activities:	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 28,304,667	\$ 5,971,175	\$ 1,737,256	\$ 168,486
Public Safety	31,400,549	2,457,780	3,541,462	6,232,380
Road and Bridge	14,554,339	5,296,600	5,842,874	12,762
Health, Welfare and Sanitation	32,148,244	293,282	22,801,598	-
Culture and Recreation	1,460,406	89,595	-	354,530
Conservation	761,856	114,069	189,461	-
Urban Redevelopment and Housing	1,919,984	65,630	1,202,022	-
Economic Development and Assistance	4,213,913	-	149,578	-
Interest on Long-Term Debt	4,941,935	-	-	-
Total Governmental Activities	<u>119,705,893</u>	<u>14,288,131</u>	<u>35,464,251</u>	<u>6,768,158</u>
Business-Type Activities				
Desert Hawk Golf Course	<u>1,241,419</u>	<u>752,297</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>120,947,312</u>	<u>15,040,428</u>	<u>35,464,251</u>	<u>6,768,158</u>
Component Units				
Community Development Corporation	1,411,500	-	139,200	-
Emergency Telephone Service Authority	999,481	474,320	-	-
Runyon Sports Complex Commission, Inc.	<u>635,161</u>	<u>577,786</u>	<u>97,205</u>	<u>-</u>
Total Component Units	<u>\$ 3,046,142</u>	<u>\$ 1,052,106</u>	<u>\$ 236,405</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
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
\$ (20,427,750)	\$ -	\$ (20,427,750)	\$ -
(19,168,927)	-	(19,168,927)	-
(3,402,103)	-	(3,402,103)	-
(9,053,364)	-	(9,053,364)	-
(1,016,281)	-	(1,016,281)	-
(458,326)	-	(458,326)	-
(652,332)	-	(652,332)	-
(4,064,335)	-	(4,064,335)	-
(4,941,935)	-	(4,941,935)	-
<u>(63,185,353)</u>	<u>-</u>	<u>(63,185,353)</u>	<u>-</u>
-	(489,122)	(489,122)	-
<u>(63,185,353)</u>	<u>(489,122)</u>	<u>(63,674,475)</u>	<u>-</u>
-	-	-	(1,272,300)
-	-	-	(525,161)
-	-	-	39,830
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,757,631)</u>

\$ 44,942,784	\$ -	\$ 44,942,784	\$ -
1,137,635	-	1,137,635	-
17,396,190	-	17,396,190	-
3,980,542	-	3,980,542	-
524,074	701	524,775	1,393
90,017	-	90,017	-
(308,762)	308,762	-	-
<u>67,762,480</u>	<u>309,463</u>	<u>68,071,943</u>	<u>1,393</u>
4,577,127	(179,659)	4,397,468	(1,756,238)
<u>153,661,960</u>	<u>(3,562,985)</u>	<u>150,098,975</u>	<u>2,856,587</u>
<u>\$ 158,239,087</u>	<u>\$ (3,742,644)</u>	<u>\$ 154,496,443</u>	<u>\$ 1,100,349</u>

PUEBLO COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014

	General Fund	Social Services	Road and Bridge Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,690,384	\$ 451,484	\$ 12,711,856	\$ 4,171,545	\$ 19,025,269
Investments	13,128,287	6,100,912	1,531,323	889,790	21,650,312
Receivables, Net:					
Taxes	39,916,023	3,471,136	2,534,050	4,351,603	50,272,812
Grants	2,719,881	-	510,605	463,814	3,694,300
Notes	2,600,792	-	-	387,838	2,988,630
Interest	40,803	-	-	-	40,803
Other Governments	53,748	1,576,321	602	1,137	1,631,808
Other Agencies	-	-	-	1,400,000	1,400,000
Other	756,481	438	-	150,942	907,861
Inventories	137,436	-	745,923	229,128	1,112,487
Due from Other Funds	390,456	-	2,026	273,303	665,785
Prepaid Items	108,646	251,447	-	-	360,093
Cash and Cash Equivalents - Restricted	-	-	-	4,439,375	4,439,375
Advances to Other Funds	395,000	-	-	-	395,000
TOTAL ASSETS	61,937,937	11,851,738	18,036,385	16,758,475	108,584,535
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	2,597,903	730,944	343,518	3,970,502	7,642,867
Due to Other Governments	-	509,628	-	-	509,628
Due to Other Funds	193,535	102,761	87,744	69,030	453,070
Advances from Others	10,000	-	-	-	10,000
Other Accrued Liabilities	84,024	15,760	8,375	595	108,754
Advance from Other Funds	-	-	-	395,000	395,000
TOTAL LIABILITIES	2,885,462	1,359,093	439,637	4,435,127	9,119,319
DEFERRED INFLOWS OF RESOURCES	40,615,978	7,271,857	1,553,277	4,519,081	53,960,193
FUND BALANCES					
Nonspendable	3,241,874	251,447	745,923	1,400,000	5,639,244
Restricted	2,653,785	-	-	3,950,781	6,604,566
Committed	-	-	12,617,331	-	12,617,331
Assigned	4,445,390	2,969,341	2,680,217	2,453,486	12,548,434
Unassigned	8,095,448	-	-	-	8,095,448
TOTAL FUND BALANCES	18,436,497	3,220,788	16,043,471	7,804,267	45,505,023
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 61,937,937	\$ 11,851,738	\$ 18,036,385	\$ 16,758,475	\$ 108,584,535

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, 2014

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 45,505,023

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. 742,562
Unamortized Bond Insurance Costs 1,310,642
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 370,012,215
Accumulated depreciation is (135,977,111) 234,035,104

Deferred outflows of resources, reported as deferred amount on
refunding, are not financial resources and thus are not reported as
assets in the governmental funds. 317,231

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	(5,126,635)	
Certificates of Participation Payable	(90,322,820)	
Accrued Interest on Bonds and Certificates of Participation Payable	(1,393,826)	
Capital Leases Payable	(1,170,218)	
Compensated Absences	(7,990,360)	
Claims and Judgments	(1,038,458)	
OPEB Obligation	(2,695,154)	
Net Pension Obligation	<u>(16,079,263)</u>	<u>(125,816,734)</u>

Deferred inflows of resources for amounts not received within the
availability period are not reported as revenue in the governmental
funds. 2,145,259

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 158,239,087

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, 2014

	General Fund	Social Services	Road and Bridge Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property Taxes, Net	\$ 35,969,752	\$ 4,486,409	\$ 1,417,778	\$ 4,206,480	\$ 46,080,419
Specific Ownership Taxes	3,220,456	371,543	122,783	265,760	3,980,542
Sales and Use Taxes	12,956,258	-	3,980,643	459,289	17,396,190
Fees and Fines	41,016	-	-	-	41,016
Licenses and Permits	1,099,306	-	2,397	-	1,101,703
Intergovernmental	14,388,771	19,758,702	1,298,067	4,798,227	40,243,767
State Highway Users Tax	-	-	4,708,327	-	4,708,327
Charges for Services	6,959,201	74,582	5,022,716	210,631	12,267,130
Investment Earnings	496,400	-	11,522	16,152	524,074
Contributions and Private Grants	310,977	-	-	473,663	784,640
Other Revenues	571,809	-	6,371	58,769	636,949
TOTAL REVENUES	76,013,946	24,691,236	16,570,604	10,488,971	127,764,757
EXPENDITURES					
Current:					
General Government	25,038,500	-	-	2,749,839	27,788,339
Public Safety	26,055,241	-	-	124,908	26,180,149
Highways and Streets	-	-	7,377,167	-	7,377,167
Health and Welfare	1,653,845	24,124,755	-	3,872,174	29,650,774
Culture and Recreation	440,431	-	-	510,243	950,674
Urban Development and Housing	-	-	-	1,828,874	1,828,874
Conservation	780,302	-	-	-	780,302
Economic Development Assistance	4,015,513	-	-	-	4,015,513
Intergovernmental	627,744	-	1,824,906	-	2,452,650
Debt Service:					
Principal Retirement	1,878,172	-	-	890,000	2,768,172
Interest and Fiscal Charges	4,728,362	-	-	247,038	4,975,400
Capital Outlay	6,037,315	311,556	2,576,051	11,261,014	20,185,936
TOTAL EXPENDITURES	71,255,425	24,436,311	11,778,124	21,484,090	128,953,950
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,758,521	254,925	4,792,480	(10,995,119)	(1,189,193)
OTHER FINANCING SOURCES (USES)					
Transfers In	58,000	-	-	2,329,210	2,387,210
Transfers Out	(2,602,972)	-	-	(93,000)	(2,695,972)
TOTAL OTHER FINANCING SOURCES (USES)	(2,544,972)	-	-	2,236,210	(308,762)
NET CHANGE IN FUND BALANCES	2,213,549	254,925	4,792,480	(8,758,909)	(1,497,955)
FUND BALANCES, January 1	16,222,948	2,965,863	11,250,991	16,563,176	47,002,978
FUND BALANCES - December 31	\$ 18,436,497	\$ 3,220,788	\$ 16,043,471	\$ 7,804,267	\$ 45,505,023

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, 2014

Net Change in Fund Balance - Total Governmental Funds \$ (1,497,955)

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 \$	20,569,308	
Depreciation Expense	<u>(11,068,971)</u>	9,500,337

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

Cost of Assets Disposed	(756,362)	
Accumulated Depreciation of Assets Disposed	<u>660,455</u>	(95,907)

Deferred inflows of resources for amounts not received within the availability period are not reported as revenue in the governmental funds. (3,175,989)

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 (585,316) was more than the amounts earned (537,799). 47,517

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. 400,758

In the statement of net position, certain prepaid expenses are not reported as prepaid items on the governmental funds balance sheet. 742,562

Change in carrying value of the net OPEB obligation is not reported in governmental funds. (737,703)

Change in carrying value of the net pension obligation is not reported in governmental funds. (3,408,130)

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

Principal Paid on General Obligation Bonds, COPs and Capital Leases	2,768,172	
Interest Expense on General Obligation Bonds, COPs and Capital Leases	24,273	
Amortization of Bond Insurance Costs, Discount, Premium and Deferred Amount on Refunding	<u>9,192</u>	2,801,637
Change in Net Position of Governmental Activities		<u>\$ 4,577,127</u>

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2014

	Enterprise Fund Desert Hawk Golf Course
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 19,283
TOTAL CURRENT ASSETS	<u>19,283</u>
NONCURRENT ASSETS	
Capital Assets -	
Land	4,402,683
Buildings	362,041
Improvements	1,484,405
Machinery and Equipment	913,443
Accumulated Depreciation	<u>(2,040,511)</u>
TOTAL CAPITAL ASSETS	5,122,061
Other Assets -	
Cash and Equivalents, Restricted for Debt Service	618,053
Land Held for Development	<u>457,000</u>
TOTAL OTHER ASSETS	1,075,053
TOTAL NONCURRENT ASSETS	<u>6,197,114</u>
TOTAL ASSETS	<u>6,216,397</u>
 DEFERRED OUTFLOWS OF RESOURCES	 <u>360,592</u>
 LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	10,959
Due to Other Funds	212,715
Accrued Interest Payable	18,560
Certificates of Participation Payable	395,000
Advances from Others	<u>10,975</u>
TOTAL CURRENT LIABILITIES	<u>648,209</u>
LONG-TERM LIABILITIES	
Certificates of Participation Payable, Net	4,357,316
Advance on Purchase Option from Other Government	457,000
Advance on Water Payments	1,279,813
Loan Payable to Other Government	<u>3,577,295</u>
TOTAL LONG-TERM LIABILITIES	<u>9,671,424</u>
TOTAL LIABILITIES	<u>10,319,633</u>
 NET POSITION	
Net Investment in Capital Assets	730,337
Unrestricted (Deficit)	<u>(4,472,981)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (3,742,644)</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, 2014

	Enterprise Funds Desert Hawk Golf Course
OPERATING REVENUE	
Charges for Services	\$ 752,297
TOTAL OPERATING REVENUE	<u>752,297</u>
OPERATING EXPENSES	
Personnel Services	30,086
Contract Fees	348,041
Supplies	163,745
Professional Services	13,589
Insurance	9,332
Repair and Maintenance	22,561
Depreciation	151,443
Utilities and Communications	184,065
Equipment Rent	3,570
Miscellaneous Expenses	4,172
TOTAL OPERATING EXPENSES	<u>930,604</u>
OPERATING INCOME (LOSS)	<u>(178,307)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment Earnings	701
Interest and Fiscal Charges	(310,815)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(310,114)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	<u>(488,421)</u>
Transfers In	<u>308,762</u>
CHANGE IN NET POSITION	(179,659)
NET POSITION (DEFICIT) JANUARY 1	<u>(3,562,985)</u>
NET POSITION (DEFICIT) DECEMBER 31	<u><u>\$ (3,742,644)</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, 2014

	Enterprise Funds Desert Hawk Golf Course
Cash Flow from Operating Activities	
Receipts from Customers	\$ 746,583
Payments to Suppliers for Goods and Services	(764,488)
Payments to Employees	(30,539)
Net Cash Used by Operating Activities	(48,444)
Cash Flows from Non-Capital Financing Activities	
Transfers In	308,762
Advances from Other Governments	308,762
Net Cash Provided by Noncapital Financing Activities	617,524
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Certificates of Participation	(380,000)
Principal Paid on Capital Leases	(29,950)
Interest and Fiscal Charges	(241,126)
Net Cash Used by Capital and Related Financing Activities	(651,076)
Cash Flows from Investing Activities	
Interest	701
Net Cash Provided by Investing Activities	701
Net Decrease in Cash and Cash Equivalents	(81,295)
Cash and Cash Equivalents at Beginning of Year	718,631
Cash and Cash Equivalents at End of Year	\$ 637,336
 Displayed as:	
Cash and Cash Equivalents	\$ 19,283
Cash and Cash Equivalents, Restricted for Debt Service	618,053
	\$ 637,336
 Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ (178,307)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	151,443
Change in Assets and Liabilities -	
Accounts Receivable	7,191
Accounts Payable and Accrued Expenses	(15,866)
Advances from Others	(12,905)
Net Cash Used by Operating Activities	\$ (48,444)

The accompanying notes are an integral part of this statement.

PUEBLO COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2014

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 7,320,222	\$ 5,316,990
Receivables, Net	624,214	29,375
Receivables, Interest and Dividends	81,905	-
Other Accounts Receivable	305,314	-
Investments, at Fair Value:		
Investment Contracts	14,079,976	-
Publicly Traded Partnership	15,647,157	-
Equity Mutual Funds	30,765,032	-
Fixed Income Securities	16,718,376	-
Other Equity Securities	43,329,796	-
	<u>128,871,992</u>	<u>5,346,365</u>
TOTAL ASSETS		
	<u>128,871,992</u>	<u>5,346,365</u>
LIABILITIES		
Accounts Payable	102,672	-
Advances from Others	-	63,600
Due to Other Governments	-	4,869,013
Due to Developers	-	399,908
Due to Victims and Insurance Companies	-	13,844
Other Payables	476,990	-
	<u>579,662</u>	<u>\$ 5,346,365</u>
TOTAL LIABILITIES		
	<u>579,662</u>	<u>\$ 5,346,365</u>
NET POSITION		
Restricted for Plan Benefits	<u>\$ 128,292,330</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, 2014

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 3,740,328
Plan Members	3,740,328
Total Contributions	<u>7,480,656</u>
Investment Earnings:	
Net Appreciation (Depreciation) in Fair Value of Investments	5,682,258
Interest	<u>2,149,667</u>
Total Investment Income	7,831,925
Investment Activity Expense	<u>(281,299)</u>
Net Investment Earnings	<u>7,550,626</u>
 TOTAL ADDITIONS	 <u>15,031,282</u>
DEDUCTIONS	
Benefit Payments:	
Retirement Benefits	8,571,726
Refunds of Contributions	<u>767,018</u>
Total Benefit Payments	<u>9,338,744</u>
 Administrative Expenses:	
Administrative Costs	<u>203,243</u>
Total Administrative Expenses	<u>203,243</u>
 TOTAL DEDUCTIONS	 <u>9,541,987</u>
 CHANGE IN NET POSITION	 5,489,295
 NET POSITION RESTRICTED FOR PLAN BENEFITS	
AT BEGINNING OF YEAR	 <u>122,803,035</u>
 NET POSITION RESTRICTED FOR PLAN BENEFITS	
AT END OF YEAR	 <u><u>\$ 128,292,330</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

PUEBLO COUNTY, COLORADO
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PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE A - REPORTING ENTITY

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

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

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

Blended Component Units

The financial statements of the following component units have been "blended" with those of the County because (1) their governing bodies are substantially the same as the governing body of the County and 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, 2014

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.

The Pueblo County Community Development Corporation (PCCDC) was formed in 1988 for the purpose of assisting in the development and economic stabilization of the statutory towns and unincorporated areas within Pueblo County by promoting and assisting the growth and development of business concerns in the area. The County, from time to time, is the recipient of community development block grant (CDBG) funds for the purpose of administering a revolving loan fund program for business development. Colorado requires that the revolving loan fund program be operated and controlled by a private, nonprofit corporation. Accordingly, in order to meet State requirements, the County has transferred its responsibility for the revolving loan fund program to the Corporation which is a non-profit public benefit corporation. The activities of the PCCDC are governed by a board composed of seven members, all of

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE A - REPORTING ENTITY, Continued

whom are appointed by the County. The PCCDC may only be dissolved by action of the Board of County Commissioners and all accounting and administrative functions are performed by the County. The PCCDC is presented as a business-type activity. The PCCDC is included as a discretely-presented component unit because the Board of County Commissioners appoints a voting majority of the PCCDC's governing body and there exists specific financial benefits to and specific financial burdens on the County. Separately-issued financial statements of the Pueblo County Community Development Corporation are not available.

During 2014, the County transferred administration of the CDBG revolving loan fund program to a non-profit organization on March 31, 2014, that is not a component unit of Pueblo County. This organization took over the accounting functions for this program and the activity is no longer reported as a component unit of the County. The County will pass through the federal CDBG funds to the non-profit in the General Fund. PCCDC is still in existence but its volunteer board will now operate in an advisory capacity to the non-profit administering the program. No revenues or expenses will be generated.

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 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.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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. Direct expenses are those that are clearly identifiable with a specific program or function. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Revenues that are not classified as program revenues, including all taxes and other items are presented as general revenues.

- *Fund Financial Statements* consist of a series of statements focusing on information about the County's major governmental and enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

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

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

The County reports the following major governmental funds:

- The ***General Fund*** is the primary operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources of the County except those required to be accounted for in another fund. Major revenue sources include property taxes, sales and use taxes, specific ownership taxes, charges for services, intergovernmental revenues and investment revenue. Primary expenditures are for general administration, public safety, judicial, planning and zoning, property valuation, tax collection and distribution, vehicle licensing, and capital acquisition.
- The ***Social Services Fund*** is a special revenue fund used to administer human services programs under state and federal regulations. Programs include, but are not limited to, Medicaid, food stamps, foster

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

I -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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 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.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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. During the year ended December 31, 2014, the Plan adopted the provisions of GASB Statement 67, Financial Reporting for Pension Plans. In that regard, the Plan issued a standalone plan financial report 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 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 68, Accounting and Financial Reporting for Pensions - an Amendment of

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

NOTE D - NEW ACCOUNTING PRONOUNCEMENTS, Continued

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, at the present time, the effect on the County's financial statements is unknown. However, it is anticipated that the application of this statement will require restatement of portions of these financial statements.

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

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

The U.S. treasury notes and agency securities represent the County's investments that are reported at fair value. Fair value has been estimated based on quoted market price. The remaining investments, reported as cash and cash equivalents, are the Colorado Liquid Asset Trust (Colo Trust) and the Colorado Surplus Asset Fund Trust (C-Safe) investment pools and are reported at amortized cost as allowed under GAAP. Both investment pools are external investment pools that are not registered with the SEC as investment companies, but each pool has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than market value in computing share prices if certain conditions are met. The regulatory oversight for both investment pools rests with the Colorado Securities Commission and the fair value of the County's investments in each pool is the same as the value of the respective pool's shares.

2. Cash Equivalents. For purposes of the statement of cash flows, the County considers cash and cash equivalents to be cash on hand, demand deposits, all highly liquid investments, including restricted cash

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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, 2014, 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, 2013 for the 2012 base year as specified by State law.

The taxes levied on December 20, 2014 reflect 2014 property taxes that will be collected in 2015. 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 uncollectable 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.

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 2014, the County reduced property tax receivable and deferred inflows of resources (property taxes) by \$5,492,695 as a result of these credits.

4. Interfund Receivables/Payables. During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. In the fund financial statements, these receivables and payables are classified as due from other funds or due to other funds. 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 \$4,439,375 in the capital projects fund that represent unspent bond proceeds. Cash and cash equivalents of \$618,053 in the

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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 31, 2014.

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.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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.

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

I -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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; 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.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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 2014, 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.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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	\$ 342,643
Demand Deposits	6,553,513
Investments Pools	17,434,329
Demand Deposits - Restricted	68,580
	<u>24,399,065</u>

Not Held by County Treasurer

Cash and Cash Equivalents On Hand	19,100
Demand Deposits - Various Other Departments	537,118
Runyon Sports Complex Commission, Inc.	
Certificates of Deposit	56,906
Demand Deposits	176,755
Investments Pool - Restricted	618,053
Investment Pools with Fiscal Agent - Restricted	4,376,798
	<u>5,784,730</u>
	<u>\$ 30,183,795</u>

Investments

Held by County Treasurer

U.S. Agency Securities	\$ 20,848,510
Certificates of Deposit	801,802
	<u>21,650,312</u>

Not Held by County Treasurer

Runyon Sports Complex Commission, Inc. - Certificates of Deposit	55,984
	<u>\$ 21,706,296</u>

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Statement of Net Position		
Primary Government	\$ 19,044,552	\$ 21,650,312
Primary Government - Restricted	5,057,428	-
Component units	764,825	55,984
Statement of Fiduciary Net Assets		
Agency Funds	5,316,990	-
	<u>\$ 30,183,795</u>	<u>\$ 21,706,296</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE A - CASH AND CASH EQUIVALENTS AND INVESTMENTS, Continued

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

	<u>Total</u>
Deposits	\$ 6,622,093
Investment Pools	17,434,329
Cash on Hand	342,643
	<u>\$ 24,399,065</u>

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, 2014 the carrying amount of the County's deposits, including certificates of deposit, was \$7,961,010 and the bank balance was \$9,584,427. Of the bank balance, \$1,131,973 was covered by federal depository insurance and \$8,452,454 was collateralized in single financial institution collateral pools maintained by the individual financial institutions that hold these deposits. Colorado law requires that depository institutions must apply for and be designated as an eligible public depository before the institution can accept public monies. The depository institution must pledge eligible collateral as security for all public deposits held by that institution that are not insured by depository insurance. The market value of the collateral that each institution pledges as security must equal at least 102% of the total uninsured deposits held by that institution. Generally, the eligible collateral in the collateral pools is held by the depository institution or its agent in the name of the depository institution.

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a policy for custodial credit risk. As of December 31, 2014, deposits with a bank balance of \$8,452,454 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, 2014 the carrying amount of the Commission's deposits was \$55,984 and the bank balance was \$292,761 and \$250,000 was covered by Federal National Credit Union Administration Insurance.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE A - CASH AND CASH EQUIVALENTS AND INVESTMENTS, Continued

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

As of December 31, 2014, 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	\$ 13,578,790	\$ 13,578,790	\$ -
CSAFE	3,826,962	3,826,962	-
Money Market Funds	5,023,431	5,023,431	-
	<u>\$ 22,429,183</u>	<u>\$ 22,429,183</u>	<u>\$ -</u>
<u>Reported as Investments</u>			
U.S. Agency Securities	20,848,510	20,848,510	-
	<u>\$ 20,848,510</u>	<u>\$ 20,848,510</u>	<u>\$ -</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, 2014, 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, 2014

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE A - CASH AND CASH EQUIVALENTS AND INVESTMENTS, Continued

At December 31, 2014, the County's investment in U.S obligations was rated as follows:

<u>U.S. Obligation</u>	<u>Credit Rating</u>	
	<u>Moody's</u>	<u>Standard and Poor's</u>
U.S. Agency Securities	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, 2014, cash and cash equivalents and investments of the Plan are reported as follows:

Financial Statement Presentation

	<u>Cash and Cash</u>	<u>Investments</u>
	<u>Equivalents</u>	
Statement of Fiduciary Funds - Pension Trust Fund	\$ 7,320,222	\$ 120,540,337

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

Demand Deposits	\$ 65,897
Money Market Accounts	<u>7,254,325</u>
	<u>\$ 7,320,222</u>

2. Deposits. At December 31, 2014, the carrying amount of the Plan's deposits was \$65,897 and the bank balance was \$65,897. Of the bank balance, \$65,897 was covered by federal depository insurance.

3. Investments. As of December 31, 2014, the Plan had the following investments and maturities.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

III -DETAILED NOTES FOR ALL FUNDS, Continued

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

	Fair Value	Investment Maturities Less Than 1 year
<u>Investment Type</u>		
Investment Contract with Principal Life Insurance Company	\$ 14,079,976	\$ 14,079,976
Limited Partnership Interest - Grosvenor Institutional Partners	12,643,390	12,643,390
Harbert US Real Estate Fund V	1,882,032	1,882,032
Principal Real Estate Debt Fund	1,121,735	1,121,735
<u>Registered Investment Companies -</u>		
Pimco Total Return Fund Institutional Shares #35	10,376,706	10,376,706
Aberdeen Emerging Markets Institutional Fund #5840	5,629,204	5,629,204
Vanguard Institutional Index Fund #94	14,759,122	14,759,122
<u>Fixed Income Commingled Funds</u>		
JP Morgan Core Bond Fund #3900	10,879,894	10,879,894
Babson Capital Floating Rate Income Fund, L.P.	5,838,482	5,838,482
Domestic Equity Securities	13,458,378	13,458,378
Domestic Equity Commingled Funds	17,658,081	17,658,081
International Equity Securities	12,213,337	12,213,337
	<u>\$ 120,540,337</u>	<u>\$ 120,540,337</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.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

III -DETAILED NOTES FOR ALL FUNDS, Continued

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

The following is the Plan's asset allocation targets as of December 31, 2014:

Asset Class	Target	Allowable Range
US Equity	40%	35-45%
Non-US Equity	15%	10-20%
Fixed Income	15%	10-20%
Real Estate	20%	15-25%
Hedge Funds	10%	5-15%
Cash	0%	0-5%

The following presents investments that represent five percent or more of the Plan's net position as of December 31, 2014:

Investment contract with Principal Life Insurance Company	\$ 14,079,976
Limited Partnership Interest - Grosvenor Institutional Partners	12,643,390
Registered Investment Companies -	
Pimco Total Return Fund Institutional Shares #35	10,376,706
Vanguard Institutional Index Fund #94	14,759,122
Domestic Equity Commingled Funds -	
Voya (ING) Small Cap Growth Equity Fund	6,748,655
Fixed Income Commingled Funds -	
JP Morgan Core Bond Fund #3900	\$ 10,879,894

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE C - RECEIVABLES

Receivables as of December 31, 2014 consist of the following:

Primary Government

	Governmental Activities				
	General Fund	Social Services	Road and Bridge Fund	Non-Major Governmental Funds	Governmental Activities
Receivables:					
Taxes:					
Taxes	\$ 38,373,344	\$ 3,506,198	\$ 1,481,157	\$ 4,313,424	\$ 47,674,123
Sales and Use Taxes	1,926,412	-	602,871	81,313	2,610,596
Highways and Streets	-	-	464,834	-	464,834
Grants	2,719,881	-	510,605	463,814	3,694,300
Notes	2,600,792	-	-	387,838	2,988,630
Interest	40,803	-	-	-	40,803
Other Governments	53,748	1,576,321	602	1,137	1,631,808
Other Agencies	-	-	-	1,400,000	1,400,000
Other	756,481	438	-	150,942	907,861
	<u>46,471,461</u>	<u>5,082,957</u>	<u>3,060,069</u>	<u>6,798,468</u>	<u>61,412,955</u>
Less: Allowance for Uncollectable Accounts	<u>383,733</u>	<u>35,062</u>	<u>14,812</u>	<u>43,134</u>	<u>476,741</u>
Net Receivables	<u><u>\$ 46,087,728</u></u>	<u><u>\$ 5,047,895</u></u>	<u><u>\$ 3,045,257</u></u>	<u><u>\$ 6,755,334</u></u>	<u><u>\$ 60,936,214</u></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, 2014 of \$1,400,000 represents funds that have been advanced to PDF to be used in the operation of the loan program. Either party, upon one years' written notice, may terminate the agreement; however, management considers the possibility of termination to be remote. If the agreement is terminated, uncommitted loan funds and outstanding loans and leases funded under the agreement will be assigned to the County by PDF.

Component Units

	Pueblo County Community Development Corporation	Emergency Telephone Service Authority	Runyon Sports Complex Commission, Inc.	Total
Receivables:				
Other	\$ -	\$ 60,273	\$ 22,500	\$ 82,773
Net Total Receivables	<u><u>\$ -</u></u>	<u><u>\$ 60,273</u></u>	<u><u>\$ 22,500</u></u>	<u><u>\$ 82,773</u></u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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, 2014:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds -		
General Fund	\$ 390,456	\$ 193,535
Social Services Fund	-	102,761
Road & Bridge Fund	2,026	87,744
Non-major Governmental Funds	273,303	69,030
Total Governmental Funds	<u>\$ 665,785</u>	<u>\$ 453,070</u>
Enterprise Fund -		
Desert Hawk Golf Course at Pueblo West	-	212,715
	<u><u>\$ 665,785</u></u>	<u><u>\$ 665,785</u></u>

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, 2014:

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

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, 2014

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS, Continued

Transfers for the year ended December 31, 2014 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds		
General Fund	\$ 58,000	\$ 2,602,972
Non-major Governmental Funds	2,329,210	93,000
Major Enterprise Fund		
Desert Hawk Golf Course at Pueblo West	308,762	-
	<u>\$ 2,695,972</u>	<u>\$ 2,695,972</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, 2014

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows:

	Balance January 1, 2014	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2014
<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	<u>65,956,914</u>	<u>17,027,573</u>	<u>(74,315,811)</u>	<u>8,668,676</u>
Total Capital Assets not being Depreciated	<u>78,094,812</u>	<u>17,027,573</u>	<u>(74,315,811)</u>	<u>20,806,574</u>
Depreciable Assets:				
Buildings and Improvements	75,970,828	70,793,774	-	146,764,602
Machinery and Equipment	25,522,413	3,642,526	(717,572)	28,447,367
Software Development	6,680,442	772,095	-	7,452,537
Infrastructure	<u>163,930,775</u>	<u>2,649,150</u>	<u>(38,790)</u>	<u>166,541,135</u>
Total Capital Assets being Depreciated	<u>272,104,458</u>	<u>77,857,545</u>	<u>(756,362)</u>	<u>349,205,641</u>
Less Accumulated Depreciation for:				
Building and Improvements	(29,344,669)	(2,642,131)	-	(31,986,800)
Machinery and Equipment	(19,274,917)	(1,404,311)	647,185	(20,032,043)
Software Development	(4,908,513)	(869,809)	-	(5,778,322)
Infrastructure	<u>(72,040,496)</u>	<u>(6,152,720)</u>	<u>13,270</u>	<u>(78,179,946)</u>
Total Accumulated Depreciation	<u>(125,568,595)</u>	<u>(11,068,971)</u>	<u>660,455</u>	<u>(135,977,111)</u>
Capital Assets being Depreciated, Net	<u>146,535,863</u>	<u>66,788,574</u>	<u>(95,907)</u>	<u>213,228,530</u>
Total Governmental Activities				
Capital Assets, Net	<u>\$ 224,630,675</u>	<u>\$ 83,816,147</u>	<u>\$ (74,411,718)</u>	<u>\$ 234,035,104</u>

Construction in progress at December 31, 2014 consists of the following amounts:

Various Machinery and Equipment Projects	\$ 6,390,955
Various Infrastructure Projects	<u>2,277,721</u>
	<u>\$ 8,668,676</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE E - CAPITAL ASSETS, Continued

	Balance January 1, 2014	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2014
<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	<u>913,443</u>	<u>-</u>	<u>-</u>	<u>913,443</u>
Total Capital Assets being Depreciated	<u>2,759,889</u>	<u>-</u>	<u>-</u>	<u>2,759,889</u>
Less Accumulated Depreciation for:				
Building and Improvements	(270,128)	(9,292)	-	(279,420)
Improvements other than Buildings	(899,294)	(75,810)	-	(975,104)
Machinery and Equipment	<u>(719,646)</u>	<u>(66,341)</u>	<u>-</u>	<u>(785,987)</u>
Total Accumulated Depreciation	<u>(1,889,068)</u>	<u>(151,443)</u>	<u>-</u>	<u>(2,040,511)</u>
Capital Assets being Depreciated, Net	<u>870,821</u>	<u>(151,443)</u>	<u>-</u>	<u>719,378</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 5,273,504</u>	<u>\$ (151,443)</u>	<u>\$ -</u>	<u>\$ 5,122,061</u>

Depreciation expense was charged to functions/programs as follows:

<u>Governmental Activities:</u>	
General Government	\$ 1,459,759
Public Safety	1,912,487
Road and Bridge	6,555,932
Health and Welfare	811,446
Culture and Recreation	270,326
Conservation	30,112
Urban Redevelopment and Housing	28,909
Total Depreciation Expense - Governmental Activities	<u>\$ 11,068,971</u>
<u>Business-Type Activities:</u>	
Desert Hawk Golf Course at Pueblo West	<u>\$ 151,443</u>
Total Depreciation Expense, Business-Type Activities	<u>\$ 151,443</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE E - CAPITAL ASSETS, Continued

Construction Commitments

At December 31, 2014, the County had various incomplete machinery and equipment projects and infrastructure and building improvement projects with remaining estimated costs of \$19,655,080. 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, 2014 follows:

	Balance January 1, 2014	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2014
Depreciable Assets:				
Machinery and Equipment	\$ 294,694	\$ 28,494	\$ (48,850)	\$ 274,338
Less Accumulated Depreciation	(189,231)	(40,297)	48,850	(180,678)
Emergency Telephone Service				
Authority Capital Assets, Net	<u>\$ 105,463</u>	<u>\$ (11,803)</u>	<u>\$ -</u>	<u>\$ 93,660</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, 2014 follows:

	Balance January 1, 2014	Additions	Deletions/ Inventory Adjustments/ Transfers	Balance December 31, 2014
Nondepreciable Assets				
Works of Art	\$ 24,467	\$ -	\$ -	\$ 24,467
Total Capital Assets Not Being Depreciated	<u>24,467</u>	<u>-</u>	<u>-</u>	<u>24,467</u>
Depreciable Assets:				
Machinery and Equipment	210,551	34,320	(3,659)	241,212
Less Accumulated Depreciation	(66,385)	(20,762)	1,952	(85,195)
Capital Assets Being Depreciated, Net	<u>144,166</u>	<u>13,558</u>	<u>(1,707)</u>	<u>156,017</u>
Runyon Sports Complex				
Commission, Inc. Capital Assets, Net	<u>\$ 168,633</u>	<u>\$ 13,558</u>	<u>\$ (1,707)</u>	<u>\$ 180,484</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

III -DETAILED NOTES FOR ALL FUNDS, Continued

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

Deferred outflows of resources at December 31, 2014 are summarized as follows:

	Governmental Activities	Business-Type Activities
Deferred Amounts on Refunding	<u>\$ 317,231</u>	<u>\$ 360,592</u>

Deferred inflows of resources at December 31, 2014 are summarized as follows:

	General Fund	Social Services	Road & Bridge	Non-Major Governmental Funds	Total
Property Taxes	\$ 37,989,611	\$ 3,471,136	\$ 1,451,682	\$ 4,270,181	\$ 47,182,610
Unavailable Grant Revenue	<u>2,626,367</u>	<u>3,800,721</u>	<u>101,595</u>	<u>248,900</u>	<u>6,777,583</u>
Total Governmental Funds	<u>\$ 40,615,978</u>	<u>\$ 7,271,857</u>	<u>\$ 1,553,277</u>	<u>\$ 4,519,081</u>	<u>\$ 53,960,193</u>
Less: Amounts Recognized as Revenue in the Government- Wide Statements	<u>(1,987,211)</u>	<u>(56,453)</u>	<u>(101,595)</u>	<u>-</u>	<u>(2,145,259)</u>
Total Governmental Activities	<u>\$ 38,628,767</u>	<u>\$ 7,215,404</u>	<u>\$ 1,451,682</u>	<u>\$ 4,519,081</u>	<u>\$ 51,814,934</u>

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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, 2014:

	Balance January 1, 2014	Increases	Decreases	Balance December 31, 2014	Due Within One Year
<u>Governmental Activities</u>					
General Obligation					
Refunding, Series 2005	\$ 5,940,000	\$ -	\$ (890,000)	\$ 5,050,000	\$ 935,000
Unamortized Premium	92,487	-	(15,852)	76,635	-
Total General Obligation					
Bonds Payable	6,032,487	-	(905,852)	5,126,635	935,000
Certificates of Participation,					
Series 2008	6,865,000	-	(1,255,000)	5,610,000	1,310,000
Unamortized Discount	(38,409)	-	7,812	(30,597)	-
Certificates of Participation,					
Series 2009A	23,600,000	-	-	23,600,000	-
Unamortized Discount	(335,326)	-	13,020	(322,306)	-
Certificates of Participation,					
Series 2009B	3,000,000	-	-	3,000,000	-
Unamortized Discount	(8,790)	-	1,140	(7,650)	-
Certificates of Participation,					
Series 2012	54,735,000	-	(265,000)	54,470,000	275,000
Unamortized Premium	4,147,673	-	(144,300)	4,003,373	-
Total Certificates					
of Participation	91,965,148	-	(1,642,328)	90,322,820	1,585,000
Obligation under Capital Leases	1,528,390	-	(358,172)	1,170,218	373,671
Compensated Absences	8,037,877	537,799	(585,316)	7,990,360	564,000
Estimated Claims and Judgments					
Self-Insured Claims	1,312,474	976,744	(1,250,760)	1,038,458	610,098
Health Insurance Claims*	126,742	7,536,343	(8,405,647)	(742,562)	-
Estimated Claims & Judgments Total	1,439,216	8,513,087	(8,405,627)	295,896	-
Net OPEB Obligation	1,957,451	966,607	(228,904)	2,695,154	-
Net Pension Obligation	12,671,133	7,148,458	(3,740,328)	16,079,263	-
Total Governmental Activities Long-Term					
Liabilities	123,631,702	9,629,608	(8,711,660)	124,422,908	4,067,769

*Health Insurance Claims resulted in a credit balance in 2014. This amount is reported on the Statement of Net Position as prepaid expenses.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

	Balance January 1, 2014	Increases	Decreases	Balance December 31, 2014	Due Within One Year
<u>Business-Type Activities</u>					
Refunding Certificates of Participation, Series 2005	\$ 5,170,000	\$ -	\$ (380,000)	\$ 4,790,000	\$ 395,000
Unamortized Discount	(44,431)	-	6,747	(37,684)	-
Total Certificates of Participation	<u>5,125,569</u>	<u>-</u>	<u>(373,253)</u>	<u>4,752,316</u>	<u>395,000</u>
Obligations under Capital Leases	<u>29,950</u>	<u>-</u>	<u>(29,950)</u>	<u>-</u>	<u>-</u>
Advances from Other Governments:					
Purchase Option	457,000	-	-	457,000	-
Water Purchase	1,279,813	-	-	1,279,813	-
Non-Interest Bearing Loan	<u>3,268,533</u>	<u>308,762</u>	<u>-</u>	<u>3,577,295</u>	<u>-</u>
Total Advances from Other Governments	<u>5,005,346</u>	<u>308,762</u>	<u>-</u>	<u>5,314,108</u>	<u>-</u>
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 10,160,865</u>	<u>\$ 308,762</u>	<u>\$ (403,203)</u>	<u>\$ 10,066,424</u>	<u>\$ 395,000</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 obligation and the net post-employment benefit obligation are recorded in the applicable governmental funds.

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

General Obligation

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

\$ 5,050,000
5,050,000

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

5,610,000

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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	54,470,000
	<u>86,680,000</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	619,656
\$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	550,562
	<u>1,170,218</u>
Other Obligations	
Compensated Absences	7,990,360
Estimated Claims and Judgments	1,038,458
Net OPEB Obligation	2,695,154
Net Pension Obligation	16,079,263
	<u>27,803,235</u>
Total Governmental Activities	<u>\$ 120,703,453</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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, 2014 are as follows:

Year Ending December 31,	Governmental Activities					
	General & Limited Tax Obligation Bonds			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 935,000	\$ 202,387	\$ 1,137,387	\$ 1,585,000	\$ 4,591,985	\$ 6,176,985
2016	970,000	164,988	1,134,988	1,650,000	4,524,785	6,174,785
2017	1,010,000	128,612	1,138,612	1,725,000	4,451,995	6,176,995
2018	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
2020-2024	-	-	-	11,055,000	19,780,238	30,835,238
2025-2029	-	-	-	13,615,000	16,755,340	30,370,340
2030-2034	-	-	-	16,930,000	12,721,638	29,651,638
2035-2039	-	-	-	21,135,000	7,589,474	28,724,474
2040-2042	-	-	-	15,295,000	1,554,500	16,849,500
Total	<u>\$ 5,050,000</u>	<u>\$ 633,043</u>	<u>\$ 5,683,043</u>	<u>\$ 86,680,000</u>	<u>\$ 80,630,535</u>	<u>\$ 167,310,535</u>

Year Ending, <u>December 31,</u>	Governmental Activities		
	Capital Leases		
	Principal	Interest	Total
2015	\$ 373,671	\$ 46,143	\$ 419,814
2016	389,839	29,974	419,813
2017	406,708	13,105	419,813
Total	<u>\$ 1,170,218</u>	<u>\$ 89,222</u>	<u>\$ 1,259,440</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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE G - LONG-TERM LIABILITIES, Continued

County within the meaning of any constitutional, statutory or other debt limitation. All the payment obligations of the County are subject to annual appropriation by the Board of County Commissioners.

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

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

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

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new general obligation bonds in escrow to provide for all future debt service payments on the old bonds. Accordingly, the escrow account assets and the liability for the defeased general obligation bonds are not included in the County's financial statements. \$5,070,000 of bonds previously defeased are still outstanding at December 31, 2014.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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

\$ 4,790,000

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, 2014 are as follows:

Advance on Purchase Option	457,000
Advance on Water Payments, Non-Interest Bearing	1,279,813
Non-Interest Bearing Loan	<u>3,577,295</u>
	<u>5,314,108</u>
Total Business-Type Activities	<u>\$ 10,104,108</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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, 2014 are as follows:

Year Ending December 31,	Business-Type Activities		
	Certificates of Participation		
	Principal	Interest	Total
2015	\$ 395,000	\$ 222,725	\$ 840,450
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
2020-2024	2,650,000	395,625	3,045,625
Total	<u>\$ 4,790,000</u>	<u>\$ 1,328,915</u>	<u>\$ 6,341,640</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. \$4,479,061 of certificates of participation outstanding previously defeased is still outstanding at December 31, 2014.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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, 2014:

	<u>Governmental Activities</u>
Future Minimum Lease Payments	\$ 1,259,440
Less: Amounts Representing Interest	<u>(89,222)</u>
	<u>\$ 1,170,218</u>

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

	<u>Governmental Activities</u>
Assets:	
Buildings and Improvements	\$ 1,874,015
Less: Accumulated Amortization	<u>(312,335)</u>
	<u>\$ 1,561,680</u>

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, 2014 for governmental activities is as follows:

	<u>Governmental Activities</u>
Restricted for:	
TABOR	\$ 2,500,000
Fountain Creek Sediment Loan Reduction Program	1,850,000
Other	
Debt Service	106,062
Federal Forfeiture Funds	153,785
Housing Revolving Loan Fund	<u>430,206</u>
Other Total	<u>690,053</u>
Total Restricted Net Position	<u>\$ 5,730,106</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

III -DETAILED NOTES FOR ALL FUNDS, Continued

NOTE H - NET POSITION, Continued

Restricted for TABOR. This represents approximately 3% of the County's estimated 2014 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 in future capital and other costs associated with the permit process as follows:

Southern Delivery System Infrastructure	\$ <u>1,850,000</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>106,062</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>153,785</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>434,409</u>
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PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

III - DETAILED NOTES FOR ALL FUNDS, Continued

NOTE I - FUND BALANCES

At December 31, 2014, fund balances for governmental funds consist of the following:

	Governmental Activities				
	General Fund	Social Services	Road and Bridge Fund	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable Fund Balances:					
Inventories	\$ 137,436	\$ -	\$ 745,923	\$ -	\$ 883,359
Prepaid Items	108,646	251,447	-	-	360,093
Advances to Other Funds	395,000	-	-	-	395,000
Notes Receivable	2,600,792	-	-	1,400,000	4,000,792
Total Nonspendable Fund Balances:	3,241,874	251,447	745,923	1,400,000	5,639,244
Restricted Fund Balances:					
TABOR	2,500,000	-	-	-	2,500,000
Sheriff Assistance	153,785	-	-	-	153,785
Judicial Building	-	-	-	1,564,513	1,564,513
Debt Service	-	-	-	106,062	106,062
Fountain Creek Sediment Loan Reduction Project	-	-	-	1,850,000	1,850,000
Low and Moderate Income Assistance	-	-	-	430,206	430,206
Total Restricted Fund Balances	2,653,785	-	-	3,950,781	6,604,566
Committed Fund Balances:					
SDS Capital Project	-	-	12,617,331	-	12,617,331
Total Committed Fund Balances	-	-	12,617,331	-	12,617,331
Assigned Fund Balances:					
Health and Welfare Programs	-	1,952,069	-	371,739	2,323,808
County Clerk Technology Improvements	69,088	-	-	-	69,088
Highways and Streets	-	-	2,467,677	205,054	2,672,731
Capital Improvements	-	-	-	64,877	64,877
Sheriff Programs	148,359	-	-	-	148,359
Inmate Enhancement	-	-	-	375,618	375,618
Cultural and Recreation	112,700	-	-	26,569	139,269
Employee Insurance Reserves	1,302,316	-	-	-	1,302,316
Retirement Benefits	-	-	-	688,743	688,743
Subsequent Years Expenditures	2,812,927	1,017,272	212,540	720,886	4,763,625
Total Assigned Fund Balances	4,445,390	2,969,341	2,680,217	2,453,486	12,548,434
Unassigned Fund Balance	8,095,448	-	-	-	8,095,448
Total Fund Balances	\$18,436,497	\$3,220,788	\$16,043,471	\$ 7,804,267	\$ 45,505,023

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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, 2014, the determined estimated liability for self-insured workmen's compensation claims and property and liability claims totaled \$1,038,458, 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, 2014 and 2013 are as follows:

	<u>Year End December 31,</u>	
	<u>2014</u>	<u>2013</u>
Estimated Claims Liability, January 1	\$ 1,312,474	\$1,127,336
Current Year Claims and Changes in Estimates	976,744	911,576
Current Year Payments	<u>(1,250,760)</u>	<u>(726,438)</u>
Estimated Claims Liability, December 31	<u>\$ 1,038,458</u>	<u>\$1,312,474</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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 County's prior year deficit due to the provider totaled \$126,742 at December 31, 2013. The current year has a surplus of \$742,562, which is reported as a prepaid expense.

Changes in the aggregate self-insured claims liability for health for the years ended December 31, 2014 and 2013 are as follows:

	<u>Year Ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
Estimated Claims Liability, January 1	\$ 126,742	\$ 476,637
Current Year Claims and Changes in Estimates	7,536,343	8,339,274
Current Year Payments	(8,405,647)	8,689,169)
Estimated Claims Liability, December 31	<u>\$ (742,562)</u>	<u>\$ 126,742</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 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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

multiplied by the participants' credited service.

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

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

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

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

Active	1,041
Receiving Benefits	517
Terminated Vested	87
Total	<u><u>1,645</u></u>

Funding Policy and Annual Pension Cost. Generally all employees and elected officials are eligible and required to join the plan. Plan members are required to contribute 8.25% of their annual covered salary and the County is required to contribute an amount that, along with participant contributions, will be sufficient to provide benefits provided by the plan and pay all administrative expenses of the plan. Contribution provisions are established by the Pueblo County Board of Commissioners and ratified by the Pueblo County retirement Board for member and employer contributions and may be amended under provisions of Colorado state law.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

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

Annual Required Contribution	\$ 7,381,676
Interest on Net Pension Obligation	950,335
Annual Required Contribution Adjustment	<u>(1,183,553)</u>
Annual Pension Cost	7,148,458
Contributions Made	<u>(3,740,328)</u>
Increase (Decrease) in Net Pension Obligation	3,408,130
Net Pension Obligation Beginning of Year	<u>12,671,133</u>
Net Pension Obligation End of Year	<u><u>\$ 16,079,263</u></u>

Contribution Rates -

County	8.25%
Plan Members	8.25%

Actuarial Valuation Date	January 01, 2015
Actuarial Cost Method	Entry Age Normal Method
	Level Dollar Amount,
Amortization Method	Closed
Remaining Amortization Period	19 years
	Actuarial value that
	smooth's investment gains
	and losses over 5-year,
	constrained to 80%/120%
	of fair value

Asset Valuation Method	
Actuarial Assumptions -	
Investment Rate of Return*	7.5%
	Graded by service, from
Projected Salary Increases*	5.5% down to 3.5%
*Includes Inflation at	3.0%
Cost-of-Living Adjustments	None

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

Three-Year Trend Information

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
December 31, 2012	\$ 6,005,305	60.2 %	\$ 9,538,721
December 31, 2013	7,207,966	56.5 %	12,671,133
December 31, 2014	7,148,458	44.5 %	16,079,263

Schedule of Funded Status

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) -Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/12	\$ 109,516,234	\$ 178,175,456	\$ 68,659,222	61.5 %	\$ 44,551,127	154.1 %
12/31/13	118,526,252	186,870,554	68,344,302	63.4 %	44,584,080	153.3 %
12/31/14	126,065,319	193,501,279	67,435,960	65.1 %	45,771,420	147.3 %

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

OTHER POST-EMPLOYMENT BENEFITS PLAN

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

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

Funding Policy. The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined annually by the County. For the year ended December 31, 2014, the County contributed \$228,904 to the plan.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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	\$ 1,000,926
Interest on Net OPEB Obligation	68,511
Adjustment to Annual Required Contribution	<u>(102,830)</u>
Annual OPEB Obligation	966,607
Contributions Made	<u>(228,904)</u>
Increase in Net OPEB Obligation	737,703
Net OPEB Obligation, Beginning of Year	<u>1,957,451</u>
Net OPEB Obligation, End of Year	<u><u>\$ 2,695,154</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
2012	\$ 286,101	\$ 63,989	22.4 %	\$ 1,741,735
2013	301,801	86,085	28.5 %	1,957,451
2014	966,607	228,904	23.7 %	2,695,154

Funded Status and Funding Progress. As of January 1, 2014, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$8,680,004, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,680,004. The covered payroll (annual payroll of active employees covered by the plan) was \$42,000,840, and the ratio of the UAAL to the covered payroll was 20.67%.

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

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

IV -OTHER NOTE DISCLOSURES, Continued

NOTE B - EMPLOYEE BENEFITS, Continued

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, 2014 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 10.0% in the initial year, 9.5% 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, 2014 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, 2014

IV -OTHER NOTE DISCLOSURES, Continued

NOTE C - OTHER REPORTING ENTITY DISCLOSURES

STATEMENT OF NET POSITION

Condensed Financial Statements – Discretely Presented Component Units

	Pueblo County Community Development Corporation	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc.	Total
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 531,164	\$ 233,661	\$ 764,825
Investments	-	-	55,984	55,984
Other Receivables, Net	-	60,273	22,500	82,773
Capital Assets:				
Works of Art	-	-	24,467	24,467
Machinery and Equipment	-	274,338	241,212	515,550
Less Accumulated Depreciation	-	(180,678)	(85,195)	(265,873)
Total Capital Assets, net	-	93,660	180,484	274,144
TOTAL ASSETS	-	685,097	492,629	1,177,726
LIABILITIES				
Accounts Payable and Accrued Expenses	-	74,584	2,793	77,377
TOTAL LIABILITIES	-	74,584	2,793	77,377
NET POSITION				
Net Investment in Capital Assets	-	93,660	180,484	274,144
Unrestricted	-	516,853	309,352	826,205
TOTAL NET POSITION	\$ -	\$ 610,513	\$ 489,836	\$ 1,100,349

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

IV -OTHER NOTE DISCLOSURES, Continued

NOTE C - OTHER REPORTING ENTITY DISCLOSURES, Continued

STATEMENT OF ACTIVITIES

Condensed Financial Statements – Discretely Presented Component Units

	Pueblo County Community Development Corporation	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc	Total
EXPENSES:				
Economic Development and Assistance:				
Administration	\$ 62,715	\$ -	\$ -	\$ 62,715
Economic Development Grants	1,348,785	-	-	1,348,785
Public Safety:				
Administration	-	959,184	-	959,184
Depreciation	-	40,297	-	40,297
Culture and Recreation:				
Baseball Park Operations:				
Personnel Services	-	-	308,297	308,297
Supplies	-	-	232,128	232,128
Professional Services	-	-	23,695	23,695
Insurance	-	-	22,928	22,928
Depreciation	-	-	20,762	20,762
Gain on Sale of Assets	-	-	1,706	1,706
Capital Outlay	-	-	25,645	25,645
TOTAL EXPENSES	1,411,500	999,481	635,161	3,046,142
PROGRAM REVENUES:				
Charges for Services	-	474,320	577,786	1,052,106
Operating Grants & Contributions	139,200	-	97,205	236,405
TOTAL PROGRAM REVENUES	139,200	474,320	674,991	1,288,511
NET (EXPENSE) REVENUE	(1,272,300)	(525,161)	39,830	(1,757,631)
GENERAL REVENUES				
Interest Income	67	862	464	1,393
TOTAL GENERAL REVENUES	67	862	464	1,393
CHANGE IN NET POSITION	(1,272,233)	(524,299)	40,294	(1,756,238)
NET POSITION, Beginning of Year	1,272,233	1,134,812	449,542	2,856,587
NET POSITION, End of Year	\$ -	\$ 610,513	\$ 489,836	\$ 1,100,349

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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 Community Development Corporation	Pueblo County Emergency Telephone Service Authority	Runyon Sports Complex Commission Inc	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ -	\$ 480,764	\$ 577,786	\$ 1,058,550
Payments to Suppliers	(68,272)	(665,274)	(307,617)	(1,041,163)
Payments to Employees	-	(253,916)	(308,297)	(562,213)
Net Cash Used by Operating Activities	(68,272)	(438,426)	(38,128)	(544,826)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Grants & Contributions	196,830	-	74,705	271,535
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Advances on New Notes	(438,477)	-	-	(438,477)
Change in Prepaid Notes	145,500	-	-	145,500
Purchases of Capital Assets	-	(28,494)	(30,661)	(59,155)
Net Cash Used by Capital and Related Financing Activities	(292,977)	(28,494)	(30,661)	(352,132)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	-	-	(5,162)	(5,162)
Interest Received	67	862	464	1,393
Net Cash Provided (Used) by Investing Activities	67	862	(4,698)	(3,769)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(164,352)	(466,058)	1,218	(629,192)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	164,352	997,222	232,443	1,394,017
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ -</u>	<u>\$ 531,164</u>	<u>\$ 233,661</u>	<u>\$ 764,825</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	(1,272,300)	(525,161)	(57,375)	(1,854,836)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Change in Accumulated Depreciation	-	40,297	18,810	59,107
Assignment of Existing Loans to Other Entity	1,195,563	-	-	1,195,563
Prepaid Expense	18,915	-	-	18,915
Change in Assets and Liabilities -				
Accounts Receivable	3,250	6,444	-	9,694
Accounts Payable and Accrued Expenses	(13,700)	39,994	437	26,731
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (68,272)</u>	<u>\$ (438,426)</u>	<u>\$ (38,128)</u>	<u>\$ (544,826)</u>

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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 2014. The governing body of the Department is composed of five members, two of which are appointed by the County, two are appointed by the City of Pueblo, and one member is jointly appointed.

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

HISTORIC ARKANSAS RIVERWALK AUTHORITY

The County is a participant with the City of Pueblo (the City), the Pueblo Urban Renewal Authority (PURA), the Pueblo Conservancy District (the Conservancy District) and the Board of Water Works (the Board) in a joint venture known as the Historic Arkansas Riverwalk Authority (the Authority). The Authority's purpose is to promote, manage, supervise, operate, develop and maintain the Historic Arkansas Riverwalk Project (HARP). The governing body is composed of five members, two of which are appointed by the City, while each of the other participants appoints one member.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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 2014, the County appropriated \$135,000 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 2014, the County appropriated \$39,706 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, 2014.

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, 2014:

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

IV -OTHER NOTE DISCLOSURES, Continued

NOTE D - COMMITMENTS AND CONTINGENCIES, Continued

	A	B	C	D	E	F
	<u>County EBT/EFT</u>				County EBT/EFT Authorizations Plus Expenditures by County Warrant (Col.A+Col.B+Col.D)	Total Expenditures (Col.C+Col.D)
<u>Program</u>	<u>Authorizations</u>	<u>Refunds</u>	<u>County Share of Authorizations</u>	<u>Expenditures by County Warrant</u>		
Old Age Pension	\$ 3,375,821	\$ (21,102)	\$ 9,774	\$ 41,968	\$ 3,396,687	\$ 51,742
Low-Income Energy Assistance Program	3,319,821	(3,529)	-	365,088	3,681,380	365,088
Temporary Assistance for Needy Families	10,002,861	(153,626)	1,332,061	-	9,849,235	1,332,061
CO Works Administration	-	-	-	1,880,807	1,880,807	1,880,807
Regular Administration*	122,587	-	-	5,932,250	6,054,837	5,932,250
Special Child Welfare	-	-	-	1,091,695	1,091,695	1,091,695
Child Welfare	5,402,564	(215,756)	1,396,404	6,019,958	11,206,766	7,416,362
Core Services	484,769	-	-	985,071	1,469,840	985,071
Aid to the Needy Disabled	2,896,260	(459,927)	408,943	-	2,436,333	408,943
Child Care	2,204,344	(2,491)	384,721	268,287	2,470,140	653,008
Medical Transportation	-	-	-	215,891	215,891	215,891
Aid to the Blind	-	-	-	-	-	-
Single Entry Point	-	-	-	1,750,335	1,750,335	1,750,335
Child Support Enforcement	-	(7,858)	-	2,009,029	2,001,171	2,009,029
Special IV-E Funds	-	-	-	28,093	28,093	28,093
General Assistance	-	-	-	770	770	770
Collaborative Mgt HB1451	-	-	-	135,479	135,479	135,479
County Only/EPSTD Grant	-	-	-	179,687	179,687	179,687
Subtotal	27,809,027	(864,289)	3,531,903	20,904,408	47,849,146	24,436,311
Food Assistance	55,656,475	(595,031)	-	-	55,061,444	-
Total	<u>\$ 83,465,502</u>	<u>\$(1,459,320)</u>	<u>\$ 3,531,903</u>	<u>\$ 20,904,408</u>	<u>\$ 102,910,590</u>	<u>\$ 24,436,311</u>

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

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, 2014

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, 2014 for governmental funds are as follows:

General Fund	\$ 287,951
Road & Bridge	45
Non-Major Funds	<u>661,242</u>
	\$ <u>949,238</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, 2014, totaled \$5,050,000. 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, 2014, the County's debt limit was \$329,537,685 and the debt margin was \$329,537,685.

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, 2014, there were several series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$25,216,547.

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 incurred in 2014 for operating leases were \$668,103 in the governmental funds and \$3,570 in the proprietary fund.

PUEBLO COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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>
2015	\$ 414,176
2016	73,656
2017	46,656
2018	46,656
2019	15,552
	<u>\$ 596,696</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 and 2014 installment was 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, 2014, 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 \$15,099,626.

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

PUEBLO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Budget	Final Budget
			Basis	- Positive
				(Negative)
REVENUES				
Taxes:				
Property Taxes, Net	\$ 35,703,188	\$ 35,703,188	\$ 35,969,752	\$ 266,564
Specific Ownership Taxes	3,047,000	3,047,000	3,220,456	173,456
Sales and Use Taxes	11,894,835	11,894,835	12,956,258	1,061,423
Fees and Fines	36,000	36,000	41,016	5,016
Licenses and Permits	244,500	244,500	1,099,306	854,806
Intergovernmental	13,748,522	13,748,522	14,388,771	640,249
Charges for Services	7,008,439	7,008,439	6,959,201	(49,238)
Investment Earnings	140,000	140,000	255,155	115,155
Change in Market Value of Investments	40,000	40,000	241,245	201,245
Miscellaneous	741,179	741,179	882,786	141,607
TOTAL REVENUES	72,603,663	72,603,663	76,013,946	3,410,283
EXPENDITURES				
Current:				
General Government:				
County Commissioners	1,131,040	1,131,040	746,249	384,791
Other Administration	15,910,926	2,546,442	4,888,511	(2,342,069)
County Attorney	928,120	928,120	950,217	(22,097)
County Surveyor	26,200	26,200	6,847	19,353
County Clerk/Recorder	1,755,872	1,755,872	1,600,136	155,736
Election	1,183,339	1,183,339	948,533	234,806
Treasurer	823,000	823,000	795,412	27,588
Assessor	1,515,200	1,515,200	1,361,065	154,135
District Attorney	3,910,432	3,910,432	3,619,588	290,844
Office of Budget	660,200	660,200	544,236	115,964
Purchasing	185,052	185,052	181,375	3,677
Human Resources	425,300	425,300	401,324	23,976
Planning/Development	698,676	698,676	714,201	(15,525)
Information Technology	2,494,266	2,494,266	2,322,035	172,231
Fleet/Equipment Management	1,191,596	1,191,596	918,699	272,897
Facilities	2,553,418	2,553,418	2,346,038	207,380
D.M. Judicial Center	1,326,398	1,326,398	964,749	361,649
Utilities Department	1,437,550	1,437,550	1,675,548	(237,998)
IS Shared Services	153,572	153,572	124,098	29,474
Graphical Information Systems	623,712	623,712	494,182	129,530
Total General Government	38,933,869	25,569,385	25,603,043	(33,658)

PUEBLO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Budget	Final Budget
			Basis	- Positive
				(Negative)
Public Safety:				
Law Enforcement	\$ 7,683,123	\$ 7,683,123	\$ 7,522,147	\$ 160,976
Detention	13,152,861	13,152,861	13,743,854	(590,993)
Homeland Security Grant (1)	-	-	4,524	(4,524)
Dispatch Center	1,019,590	1,019,590	848,139	171,451
County Coroner	604,370	604,370	619,511	(15,141)
Correctional Services	2,801,336	2,801,336	1,754,419	1,046,917
DEM/PS&O	1,118,820	1,118,820	729,705	389,115
DEM/CSEPP	7,359,298	7,359,298	6,279,897	1,079,401
Total Public Safety	33,739,398	33,739,398	31,502,196	2,237,202
Health and Welfare:				
Community Health Assistance	1,661,800	1,661,800	1,538,577	123,223
Veterans Administration	116,601	116,601	115,268	1,333
Total Health and Welfare	1,778,401	1,778,401	1,653,845	124,556
Culture and Recreation:				
Recreation	272,220	272,220	175,850	96,370
Public Works and Parks	293,486	293,486	283,316	10,170
Total Culture and Recreation:	565,706	565,706	459,166	106,540
Conservation:				
CSU Extension	694,463	694,463	787,384	(92,921)
Total Conservation	694,463	694,463	787,384	(92,921)
Economic Development Assistance:				
Economic Development	3,311,255	3,311,255	3,426,656	(115,401)
Total Economic Development	3,311,255	3,311,255	3,426,656	(115,401)
Intergovernmental				
Aid to Other Entities	997,706	997,706	627,744	369,962
Total Intergovernmental	997,706	997,706	627,744	369,962
Debt Service:				
Principal	1,878,600	1,878,600	1,878,172	428
Interest and Fiscal Charges	4,725,800	4,725,800	4,728,362	(2,562)
Total Debt Service	6,604,400	6,604,400	6,606,534	(2,134)
TOTAL EXPENDITURES	86,625,198	73,260,714	70,666,568	2,594,146
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	\$ (14,021,535)	\$ (657,051)	\$ 5,347,378	\$ 6,004,429
OTHER FINANCING SOURCES (USES)				
Transfers In	58,000	58,000	58,000	-
Transfers Out	(2,136,467)	(2,136,467)	(2,602,972)	(466,505)
TOTAL OTHER FINANCING				
SOURCES (USES)	(2,078,467)	(2,078,467)	(2,544,972)	(466,505)
NET CHANGE IN FUND BALANCE	\$ (16,100,002)	\$ (2,735,518)	\$ 2,802,406	\$ 5,537,924
FUND BALANCE - January 1	17,118,950	17,118,950	13,361,141	(3,757,809)
FUND BALANCE - December 31	\$ 1,018,948	\$ 14,383,432	\$ 16,163,547	\$ 1,780,115

PUEBLO COUNTY, COLORADO
RECONCILIATION OF THE BUDGETARY BASIS OF ACCOUNTING
TO GAAP BASIS OF ACCOUNTING
GENERAL FUND
YEAR ENDED DECEMBER 31, 2014

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	\$ 70,666,568
--	---------------

Differences - Budget to GAAP

Economic development funding advances forgiven when employment requirements are satisfied, are expenditures for GAAP reporting purposes but are not expenditures of budgetary resources.

	<u>588,857</u>
GAAP Basis Expenditures	<u><u>\$ 71,255,425</u></u>

FUND BALANCE, December 31

Actual (non-GAAP Basis) Amount	\$ 16,163,547
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Differences - Budget to GAAP

Notes Receivable	2,600,792
Unrealized Gain (Loss) on Investments	<u>(327,842)</u>

GAAP Basis Fund Balance, December 31	<u><u>\$ 18,436,497</u></u>
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PUEBLO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
SOCIAL SERVICES SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES				
Property Taxes, Net	\$ 4,455,231	\$ 4,455,231	\$ 4,486,409	\$ 31,178
Specific Ownership Taxes	381,000	381,000	371,543	(9,457)
Intergovernmental	19,810,783	19,810,783	19,758,702	(52,081)
Miscellaneous	79,642	79,642	74,582	(5,060)
TOTAL REVENUES	<u>24,726,656</u>	<u>24,726,656</u>	<u>24,691,236</u>	<u>(35,420)</u>
EXPENDITURES				
Administration	5,946,079	5,946,079	5,924,504	21,575
Single Entry Point	1,705,022	1,705,022	1,750,333	(45,311)
Special Child Welfare	1,198,543	1,198,543	1,091,696	106,847
General Assistance	1,000	1,000	770	230
Aid to the Blind	400	400	-	400
Temporary Assistance to Needy Families	1,718,749	1,718,749	1,313,552	405,197
Aid to Needy Disabled	350,000	350,000	403,098	(53,098)
Administration IV-D	2,034,663	2,034,663	2,009,027	25,636
Child Care	701,519	701,519	648,137	53,382
Old Age Pension	71,939	71,939	51,742	20,197
LEAP Program	344,310	344,310	365,090	(20,780)
Core Services	1,029,983	1,029,983	985,072	44,911
Child Welfare	7,108,244	7,108,244	7,396,880	(288,636)
Temporary Assistance to Needy Families				
Administration	2,083,338	2,083,338	1,880,807	202,531
Title IV-E Child Welfare	70,000	70,000	28,093	41,907
Medicaid Transportation	55,000	55,000	215,891	(160,891)
EPSDT Contract	307,797	307,797	371,619	(63,822)
TOTAL EXPENDITURES	<u>24,726,586</u>	<u>24,726,586</u>	<u>24,436,311</u>	<u>290,275</u>
NET CHANGE IN FUND BALANCE	70	70	254,925	254,855
FUND BALANCE - January 1	<u>1,209,612</u>	<u>1,209,612</u>	<u>2,965,863</u>	<u>1,756,251</u>
FUND BALANCE - December 31	<u>\$ 1,209,682</u>	<u>\$ 1,209,682</u>	<u>\$ 3,220,788</u>	<u>\$ 2,011,106</u>

PUEBLO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE FUND
YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary	with Final
			Basis	Budget -
				Positive
				(Negative)
Revenues				
Taxes:				
Property Taxes, Net	\$ 1,406,745	\$ 1,406,745	\$ 1,417,778	\$ 11,033
Specific Ownership Taxes	120,000	120,000	122,783	2,783
Sales and Use Taxes	3,764,265	3,764,265	3,980,643	216,378
State Highway Users Tax	4,700,000	4,700,000	4,708,327	8,327
Licenses and Permits	3,000	3,000	2,397	(603)
Intergovernmental	2,597,260	2,597,260	1,298,067	(1,299,193)
Charges for Services	5,000,000	5,000,000	5,022,716	22,716
Investment Earnings	-	-	11,522	11,522
Other Revenues	6,800	6,800	6,371	(429)
Total Revenues	<u>17,598,070</u>	<u>17,598,070</u>	<u>16,570,604</u>	<u>(1,027,466)</u>
Expenditures				
Highways and Streets	7,749,057	7,749,057	7,377,167	371,890
Capital Outlay	9,134,913	9,134,913	2,576,051	6,558,862
Intergovernmental	1,651,700	1,651,700	1,824,906	(173,206)
Total Expenditures	<u>18,535,670</u>	<u>18,535,670</u>	<u>11,778,124</u>	<u>6,757,546</u>
Excess (Deficiency) of Revenues Over				
Expenses	<u>(937,600)</u>	<u>(937,600)</u>	<u>4,792,480</u>	<u>(7,785,012)</u>
Net Change in Fund Balances	<u>(937,600)</u>	<u>(937,600)</u>	<u>4,792,480</u>	<u>(7,785,012)</u>
Fund Balances - January 1	<u>7,132,202</u>	<u>7,132,202</u>	<u>11,250,991</u>	<u>4,118,789</u>
Fund Balance - December 31	<u><u>\$ 6,194,602</u></u>	<u><u>\$ 6,194,602</u></u>	<u><u>\$16,043,471</u></u>	<u><u>\$(3,666,223)</u></u>

PUEBLO COUNTY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014

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 FUNDING PROGRESS
DEFINED BENEFIT PENSION PLAN
YEAR ENDED DECEMBER 31, 2014**

Actuarial Valuation <u>Date</u>	Actuarial Value of <u>Plan Assets</u>	Actuarial Accrued <u>Liability</u>	Unfunded Actuarial Accrued <u>Liability</u>	Funded <u>Ratio</u>	Covered <u>Payroll</u>	Unfunded Liability as a Percentage of <u>Payroll</u>
December 31, 2012	\$109,516,234	\$178,175,456	\$ 68,659,222	61.5 %	\$ 44,551,127	154.1 %
December 31, 2013	118,526,252	186,870,554	68,344,302	63.4 %	44,584,080	153.3 %
December 31, 2014	126,065,319	193,501,279	67,435,960	65.1 %	45,771,420	147.3 %

**PUEBLO COUNTY, COLORADO
SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS PLAN
YEAR ENDED DECEMBER 31, 2014**

Actuarial Valuation <u>Date</u>	Actuarial Value of <u>Plan Assets</u>	Actuarial Accrued <u>Liability</u>	Unfunded Actuarial Accrued <u>Liability</u>	Funded <u>Ratio</u>	Covered <u>Payroll</u>	Unfunded Liability as a Percentage of <u>Payroll</u>
January 1, 2012	\$ -	\$ 2,720,020	\$ 2,720,020	0.00 %	\$ 42,602,397	6.38 %
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 %

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SUPPLEMENTAL INFORMATION

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PUEBLO COUNTY, COLORADO
EXPLANATION OF FUNDS
DECEMBER 31, 2014

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, 2014

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, 2014

	Special Revenue				
	Employee Retirement	Board of Developmental Disabilities	Pueblo County Housing	Conservation Trust	Department of Aging Services
ASSETS					
Cash and Cash Equivalents	\$ 54,868	\$ 8,337	\$ 60,191	\$ 202,600	\$ 135,961
Investments	889,790	-	-	-	-
Receivables, Net					
Taxes	2,741,044	401,203	-	-	-
Grants	-	-	-	-	219,284
Notes	-	-	387,838	-	-
Due from Other Governments	1,137	-	-	-	-
Other Agencies	-	-	-	-	-
Other	-	166	-	-	-
Inventories	-	-	-	-	-
Due from Other Funds	93,102	-	-	1,021	-
Cash and Cash Equivalents - Restricted	-	-	-	-	-
TOTAL ASSETS	<u>\$ 3,779,941</u>	<u>\$ 409,706</u>	<u>\$ 448,029</u>	<u>\$ 203,621</u>	<u>\$ 355,245</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 307,810	\$ -	\$ 17,823	\$ 119,052	\$ 241,109
Due to Other Funds	58	-	-	58,000	1,096
Other Accrued Liabilities	-	-	-	-	25
Advance from Other Funds	-	-	-	-	40,000
TOTAL LIABILITIES	<u>307,868</u>	<u>-</u>	<u>17,823</u>	<u>177,052</u>	<u>282,230</u>
DEFERRED INFLOWS OF RESOURCES	2,741,044	401,203	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	430,206	-	-
Assigned	731,029	8,503	-	26,569	73,015
TOTAL FUND BALANCES	<u>731,029</u>	<u>8,503</u>	<u>430,206</u>	<u>26,569</u>	<u>73,015</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,779,941</u>	<u>\$ 409,706</u>	<u>\$ 448,029</u>	<u>\$ 203,621</u>	<u>\$ 355,245</u>

Special Revenue (Continued)				Capital Projects		Debt Service	
Housing and Human Services	Detention Commissary	Subdivision Park Site Fee	Fire Hydrant Impact Fee	Capital Expenditure	Capital Projects	Library Debt Service	Total Non-major Governmental Funds
\$ 631,522	\$ 501,276	\$ 117,123	\$ 87,931	\$ 2,265,674	\$ -	\$ 106,062	\$ 4,171,545
-	-	-	-	-	-	-	889,790
-	-	-	-	81,422	-	1,127,934	4,351,603
244,530	-	-	-	-	-	-	463,814
-	-	-	-	-	-	-	387,838
-	-	-	-	-	-	-	1,137
-	-	-	-	1,400,000	-	-	1,400,000
513	-	-	-	150,000	263	-	150,942
229,128	-	-	-	-	-	-	229,128
179,180	-	-	-	-	-	-	273,303
-	-	-	-	-	4,439,375	-	4,439,375
<u>\$ 1,284,873</u>	<u>\$ 501,276</u>	<u>\$ 117,123</u>	<u>\$ 87,931</u>	<u>\$ 3,897,096</u>	<u>\$ 4,439,638</u>	<u>\$ 1,233,996</u>	<u>\$ 16,758,475</u>

\$ 380,306	\$ 5,658	\$ -	\$ -	\$ 23,619	\$ 2,875,125	\$ -	\$ 3,970,502
9,876	-	-	-	-	-	-	69,030
570	-	-	-	-	-	-	595
355,000	-	-	-	-	-	-	395,000
<u>745,752</u>	<u>5,658</u>	<u>-</u>	<u>-</u>	<u>23,619</u>	<u>2,875,125</u>	<u>-</u>	<u>4,435,127</u>

248,900	-	-	-	-	-	1,127,934	4,519,081
-	-	-	-	1,400,000	-	-	1,400,000
-	-	-	-	1,850,000	1,564,513	106,062	3,950,781
290,221	495,618	117,123	87,931	623,477	-	-	2,453,486
<u>290,221</u>	<u>495,618</u>	<u>117,123</u>	<u>87,931</u>	<u>3,873,477</u>	<u>1,564,513</u>	<u>106,062</u>	<u>7,804,267</u>

<u>\$ 1,284,873</u>	<u>\$ 501,276</u>	<u>\$ 117,123</u>	<u>\$ 87,931</u>	<u>\$ 3,897,096</u>	<u>\$ 4,439,638</u>	<u>\$ 1,233,996</u>	<u>\$ 16,758,475</u>
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PUEBLO COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014

	Special Revenue				
	Employee Retirement	Board of Developmental Disabilities	Pueblo County Housing	Conservation Trust	Department of Aging Services
REVENUES					
Taxes:					
Property Taxes, Net	\$2,677,013	\$ 391,832	\$ -	\$ -	\$ -
Specific Ownership Taxes	231,829	33,931	-	-	-
Sales and Use Taxes	-	-	-	-	-
Intergovernmental	20	3	863	354,530	1,651,760
Charges for Services	-	-	-	-	-
Investment Earnings	-	-	61	1,020	235
Contributions and Private Grants	-	-	-	-	-
Other Revenues	-	-	175	-	114
TOTAL REVENUES	2,908,862	425,766	1,099	355,550	1,652,109
EXPENDITURES					
Current:					
General Government	2,742,342	-	-	-	-
Public Safety	-	-	-	-	-
Health and Welfare	-	420,096	-	-	1,630,421
Culture and Recreation	-	-	-	455,250	-
Urban Development and Housing	-	-	13,386	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	2,742,342	420,096	13,386	455,250	1,630,421
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	166,520	5,670	(12,287)	(99,700)	21,688
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	(58,000)	(35,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(58,000)	(35,000)
NET CHANGE IN FUND BALANCES	166,520	5,670	(12,287)	(157,700)	(13,312)
FUND BALANCES - January 1	564,509	2,833	442,493	184,269	86,327
FUND BALANCES - December 31	\$ 731,029	\$ 8,503	\$ 430,206	\$ 26,569	\$ 73,015

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	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,137,635	\$ 4,206,480
-	-	-	-	-	-	-	265,760
-	-	-	-	459,289	-	-	459,289
2,746,148	-	-	-	44,895	-	8	4,798,227
-	210,631	-	-	-	-	-	210,631
-	-	127	110	2,090	12,509	-	16,152
123,663	-	-	-	-	350,000	-	473,663
55,855	-	-	2,625	-	-	-	58,769
2,925,666	210,631	127	2,735	506,274	362,509	1,137,643	10,488,971
7,497	-	-	-	-	-	-	2,749,839
-	119,138	-	5,770	-	-	-	124,908
1,821,657	-	-	-	-	-	-	3,872,174
54,993	-	-	-	-	-	-	510,243
1,815,488	-	-	-	-	-	-	1,828,874
-	-	-	-	-	-	890,000	890,000
-	-	-	-	-	-	247,038	247,038
4,015	15,222	-	-	562,571	10,679,206	-	11,261,014
3,703,650	134,360	-	5,770	562,571	10,679,206	1,137,038	21,484,090
(777,984)	76,271	127	(3,035)	(56,297)	(10,316,697)	605	(10,995,119)
814,180	-	-	-	150,000	1,365,030	-	2,329,210
-	-	-	-	-	-	-	(93,000)
814,180	-	-	-	150,000	1,365,030	-	2,236,210
36,196	76,271	127	(3,035)	93,703	(8,951,667)	605	(8,758,909)
254,025	419,347	116,996	90,966	3,779,774	10,516,180	105,457	16,563,176
\$ 290,221	\$ 495,618	\$ 117,123	\$ 87,931	\$ 3,873,477	\$ 1,564,513	\$ 106,062	\$ 7,804,267

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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, 2014

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Taxes -			
Property Taxes, Net	\$ 2,651,731	\$ 2,677,013	\$ 25,282
Specific Ownership Taxes	227,000	231,829	4,829
Intergovernmental - Other	-	20	20
TOTAL REVENUES	<u>2,878,731</u>	<u>2,908,862</u>	<u>30,131</u>
EXPENDITURES			
Personnel Services	72,790	65,643	7,147
Employer Contributions	<u>2,865,000</u>	<u>2,676,699</u>	<u>188,301</u>
TOTAL EXPENDITURES	<u>2,937,790</u>	<u>2,742,342</u>	<u>195,448</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(59,059)</u>	<u>166,520</u>	<u>225,579</u>
FUND BALANCE, January 1	<u>393,356</u>	<u>564,509</u>	<u>171,153</u>
FUND BALANCE, December 31	<u>\$ 334,297</u>	<u>\$ 731,029</u>	<u>\$ 396,732</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, 2014

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Taxes -			
Property Taxes, Net	\$ 389,956	\$ 391,832	\$ 1,876
Specific Ownership Taxes	33,000	33,931	931
Intergovernmental - Other	-	3	3
TOTAL REVENUES	<u>422,956</u>	<u>425,766</u>	<u>2,810</u>
EXPENDITURES			
County Board Allocations	<u>422,956</u>	<u>420,096</u>	<u>2,860</u>
TOTAL EXPENDITURES	<u>422,956</u>	<u>420,096</u>	<u>2,860</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	5,670	5,670
FUND BALANCE, January 1	<u>2,537</u>	<u>2,833</u>	<u>296</u>
FUND BALANCE, December 31	<u>\$ 2,537</u>	<u>\$ 8,503</u>	<u>\$ 5,966</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, 2014

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive Negative
REVENUES			
Intergovernmental -			
Federal Grants	\$ 175,224	\$ -	\$ (175,224)
Collection of Revolving Loans	10,000	9,566	(434)
Interest	1,150	236	(914)
Transfers In	13,626	-	(13,626)
TOTAL REVENUES	<u>200,000</u>	<u>9,802</u>	<u>(190,198)</u>
EXPENDITURES			
Housing Projects	200,000	128	199,872
Home Grant Rehab Projects	-	17,758	(17,758)
TOTAL EXPENDITURES	<u>200,000</u>	<u>17,886</u>	<u>182,114</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(8,084)	(8,084)
FUND BALANCE, January 1	<u>333,451</u>	<u>50,452</u>	<u>(282,999)</u>
FUND BALANCE, December 31	<u>\$ 333,451</u>	\$ 42,368	<u>\$ (291,083)</u>
Adjustment from Budgetary Basis to Generally Accepted Accounting Principles -			
Notes Receivable		<u>387,838</u>	
FUND BALANCE - Generally Accepted Accounting Principles		<u>\$ 430,206</u>	

PUEBLO COUNTY, COLORADO
CONSERVATION TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Colorado Lottery Allotment	\$ 390,000	\$ 354,530	\$ (35,470)
Interest	-	1,020	1,020
TOTAL REVENUES	<u>390,000</u>	<u>355,550</u>	<u>(34,450)</u>
EXPENDITURES AND OTHER FINANCING USES			
Grants to Other Entities	455,750	455,250	500
Transfers to Other Funds	<u>58,000</u>	<u>58,000</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>513,750</u>	<u>513,250</u>	<u>500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(123,750)	(157,700)	(33,950)
FUND BALANCE, January 1	<u>(5,251)</u>	<u>184,269</u>	<u>189,520</u>
FUND BALANCE, December 31	<u>\$ (129,001)</u>	<u>\$ 26,569</u>	<u>\$ 155,570</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, 2014

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental -			
Title III Grants -			
Administration	\$ 65,968	\$ 77,773	\$ 11,805
Part B	183,795	219,256	35,461
Part C-1	146,542	165,126	18,584
Part C-2	221,628	336,890	115,262
Part E	89,934	83,539	(6,395)
Title VII Grants	10,684	10,855	171
State Older Coloradoans Program	680,040	527,708	(152,332)
City of Pueblo	10,000	10,000	-
Federal USDA	140,000	76,298	(63,702)
Other Grants	200,000	144,315	(55,685)
Interest	300	235	(65)
Charges for Services	-	114	114
TOTAL REVENUES	1,748,891	1,652,109	(96,782)
EXPENDITURES AND OTHER FINANCING USES			
Administration	95,626	98,256	(2,630)
Part B - Supportive Services	461,056	437,919	23,137
Part C-1 - Congregate Meals	146,542	165,126	(18,584)
Part C-2 - Home Delivered Meals	221,628	336,890	(115,262)
Cash in Lieu of Commodities	140,000	76,298	63,702
Elder Rights	10,684	10,585	99
Older Coloradoans Program	632,214	505,347	126,867
Transfers Out	35,000	35,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,742,750	1,665,421	77,329
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	6,141	(13,312)	(19,453)
FUND BALANCE, January 1	77,943	86,327	8,384
FUND BALANCE, December 31	\$ 84,084	\$ 73,015	\$ (11,069)

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, 2014

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES			
Intergovernmental -			
Low Income Energy Assistance Program	\$ 312,126	\$ 239,533	\$ (72,593)
Weatherization Assistance for Low-Income Persons	1,204,662	961,398	(243,264)
Commodity Administration	137,144	150,451	13,307
Community Service Block Grants	269,358	262,453	(6,905)
Community Development Block Grant ERESP	45,000	45,000	-
Commodity Supplemental Food Program	894,994	987,185	92,191
Emergency Shelter Grants Program	32,000	47,900	15,900
Housing Partnership Investment Program	9,404	11,876	2,472
State of Colorado Energy Grants	25,000	40,352	15,352
City of Pueblo Grant Review Partners	5,000	-	(5,000)
Contributions and Private Grants			
Public Service - Weatherization	125,517	22,956	(102,561)
Utilicorp - Electric Conservation	79,370	36,115	(43,255)
Client Participation	75,000	64,592	(10,408)
Other-			
Miscellaneous	799,267	55,855	(743,412)
Transfers In	848,841	814,180	(34,661)
TOTAL REVENUES AND	4,862,683	3,739,846	(1,122,837)
OTHER FINANCING SOURCES			
EXPENDITURES			
McHarg Park Community Center	53,001	54,993	(1,992)
E\$P Weatherization	1,832,192	1,195,565	636,627
E\$P Weatherization 02/03	-	10	(10)
Client Weatherization Program	65,000	110,703	(45,703)
Crisis Intervention Program	50,000	64,591	(14,591)
Administration	9,404	10,159	(755)
Community Service Block Grant Programs	274,358	262,591	11,767
Emergency Shelter Program	32,000	47,900	(15,900)
Commodity Supplemental Food Program	115,144	114,066	1,078
Temporary Emergency Food Assistance	22,000	9,996	12,004
Commodity Distribution	894,994	987,185	(92,191)
Health Disparities Program	9,999	13,505	(3,506)
Housing Services	150,841	102,065	48,776
Emergency Repairs Seniors Program	90,000	89,999	1
City of Pueblo Grant Review Partners	1,263,750	640,322	623,428
TOTAL EXPENDITURES	4,862,683	3,703,650	1,159,033
EXCESS (DEFICIENCY) OF REVENUES AND			
OTHER FINANCING SOURCES OVER EXPENDITURES	-	36,196	36,196
FUND BALANCE, January 1	160,484	254,025	93,541
FUND BALANCE, December 31	\$ 160,484	\$ 290,221	\$ 129,737

PUEBLO COUNTY, COLORADO
DETENTION COMMISSARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Contract Commissions	\$ 175,000	\$ 210,631	\$ 35,631
TOTAL REVENUES	<u>175,000</u>	<u>210,631</u>	<u>35,631</u>
EXPENDITURES			
Operating Supplies	250,000	-	250,000
Inmate Services	-	119,138	(119,138)
Capital Outlay	<u>-</u>	<u>15,222</u>	<u>(15,222)</u>
TOTAL EXPENDITURES	<u>250,000</u>	<u>134,360</u>	<u>115,640</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(75,000)	76,271	151,271
FUND BALANCE, January 1	<u>297,105</u>	<u>419,347</u>	<u>122,242</u>
FUND BALANCE, December 31	<u>\$ 222,105</u>	<u>\$ 495,618</u>	<u>\$ 273,513</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, 2014

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment Earnings	\$ 500	\$ 127	\$ (373)
Miscellaneous	1,000	-	(1,000)
TOTAL REVENUES	<u>1,500</u>	<u>127</u>	<u>(1,373)</u>
EXPENDITURES			
Recreation	10,000	-	10,000
TOTAL EXPENDITURES	<u>10,000</u>	<u>-</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,500)	127	8,627
FUND BALANCE, January 1	<u>107,814</u>	<u>116,996</u>	<u>9,182</u>
FUND BALANCE, December 31	<u>\$ 99,314</u>	<u>\$ 117,123</u>	<u>\$ 17,809</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, 2014

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment Earnings	\$ 500	\$ 110	\$ (390)
Miscellaneous	5,000	2,625	(2,375)
TOTAL REVENUES	<u>5,500</u>	<u>2,735</u>	<u>(2,765)</u>
EXPENDITURES			
Public Safety	<u>20,000</u>	<u>5,770</u>	<u>14,230</u>
TOTAL EXPENDITURES	<u>20,000</u>	<u>5,770</u>	<u>14,230</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(14,500)	(3,035)	11,465
FUND BALANCE, January 1	<u>70,356</u>	<u>90,966</u>	<u>20,610</u>
FUND BALANCE, December 31	<u><u>\$ 55,856</u></u>	<u><u>\$ 87,931</u></u>	<u><u>\$ 32,075</u></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, 2014

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES			
Taxes -			
Sales and Use Taxes	500,000	459,289	(40,711)
Intergovernmental - State Grants	-	44,895	44,895
Investment Earnings	-	2,090	2,090
Transfers In	-	150,000	150,000
TOTAL REVENUES AND OTHER FINANCING SOURCES	500,000	656,274	156,274
EXPENDITURES			
Capital Outlay -			
Improvements, Buildings	993,700	544,747	448,953
Improvements, Other than Buildings	191,300	17,824	173,476
TOTAL EXPENDITURES	1,185,000	562,571	622,429
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(685,000)	93,703	778,703
FUND BALANCE, January 1	2,351,339	3,779,774	1,428,435
FUND BALANCE, December 31	\$ 1,666,339	\$ 3,873,477	\$ 2,207,138

PUEBLO COUNTY, COLORADO
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES			
Grants, Contributions and Subsidies	\$ -	\$ 350,000	\$ 350,000
Investment Earnings	-	12,509	12,509
Transfers In	1,000,000	1,365,030	365,030
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,000,000	1,727,539	727,539
EXPENDITURES			
Capital Outlay	16,000,000	10,679,206	5,320,794
TOTAL EXPENDITURES	16,000,000	10,679,206	5,320,794
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(15,000,000)	(8,951,667)	6,048,333
FUND BALANCE, January 1	(2,090,279)	10,516,180	12,606,459
FUND BALANCE, December 31	<u>\$(17,090,279)</u>	<u>\$ 1,564,513</u>	<u>\$ 18,654,792</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, 2014

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Property Taxes, Net	\$ 1,137,400	\$ 1,137,635	\$ 235
Intergovernmental -			
Other	-	8	8
TOTAL REVENUES	<u>1,137,400</u>	<u>1,137,643</u>	<u>243</u>
EXPENDITURES			
Debt service -			
Principal	890,000	890,000	-
Interest and Fiscal Charges	<u>247,400</u>	<u>247,038</u>	<u>362</u>
TOTAL EXPENDITURES	<u>1,137,400</u>	<u>1,137,038</u>	<u>362</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	605	605
FUND BALANCE, January 1	<u>103,376</u>	<u>105,457</u>	<u>2,081</u>
FUND BALANCE, December 31	<u>\$ 103,376</u>	<u>\$ 106,062</u>	<u>\$ 2,686</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, 2014

	Budgeted Amounts Final	Actual Budget Amounts	Variance with Final Budget- Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES			
Green Fees	\$ 589,300	\$ 507,630	\$ (81,670)
Cart Fees	239,500	193,346	(46,154)
Restaurant Rent	15,000	14,000	(1,000)
Driving Range and Other	46,700	37,321	(9,379)
Investment Earnings	900	701	(199)
Contributions	10,100	-	(10,100)
Transfers In	308,963	308,762	(201)
Advance from Other Government	308,962	308,762	(200)
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>1,519,425</u>	<u>1,370,522</u>	<u>(148,903)</u>
EXPENDITURES			
Personnel Services	29,900	30,086	(186)
Contract Fees	342,700	348,041	(5,341)
Supplies	189,900	163,745	26,155
Professional Services	12,700	13,589	(889)
Insurance	8,200	9,332	(1,132)
Repairs and Maintenance	19,600	22,561	(2,961)
Utilities and Communications	193,800	184,065	9,735
Equipment Rent	3,000	3,570	(570)
Capital Outlay	28,900	-	28,900
Sales Tax	-	4,172	(4,172)
Debt Service:			
Interest and Fiscal Charges	242,025	310,815	(68,790)
Principal	380,000	395,000	(15,000)
TOTAL EXPENDITURES	<u>1,450,725</u>	<u>1,484,976</u>	<u>(34,251)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ 68,700</u>	<u>\$ (114,454)</u>	<u>\$ (183,154)</u>

AGENCY FUNDS

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PUEBLO COUNTY, COLORADO
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2014

	Other Taxing Entities	Subdivision Improvement s Escrow	District Attorney's Restitution Fund	Enterprise Zone Administrator Fund	Total
ASSETS					
Cash and Cash Equivalents	\$ 4,869,013	\$ 399,908	\$ 13,844	\$ 34,225	\$ 5,316,990
Receivables, Net	-	-	-	29,375	29,375
TOTAL ASSETS	<u>\$ 4,869,013</u>	<u>\$ 399,908</u>	<u>\$ 13,844</u>	<u>\$ 63,600</u>	<u>\$ 5,346,365</u>
LIABILITIES					
Due to Other Governments	\$ 4,869,013	\$ -	\$ -	\$ -	\$ 4,869,013
Due to Developers	-	399,908	-	-	399,908
Due to Victims and Insurance Companies	-	-	13,844	-	13,844
Advances from Others	-	-	-	63,600	63,600
TOTAL LIABILITIES	<u>\$ 4,869,013</u>	<u>\$ 399,908</u>	<u>\$ 13,844</u>	<u>\$ 63,600</u>	<u>\$ 5,346,365</u>

PUEBLO COUNTY, COLORADO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2014

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
<u>OTHER TAXING ENTITIES</u>				
ASSETS				
Cash and Cash Equivalents	\$4,073,805	\$176,085,986	\$175,290,778	\$ 4,869,013
LIABILITIES				
Due to Other Taxing Districts	\$4,073,805	\$176,085,986	\$175,290,778	\$ 4,869,013
<u>SUBDIVISION IMPROVEMENTS ESCROW</u>				
ASSETS				
Cash and Cash Equivalents	\$ 403,408	\$ -	\$ 3,500	\$ 399,908
LIABILITIES				
Due to Developers	\$ 403,408	\$ -	\$ 3,500	\$ 399,908
<u>DISTRICT ATTORNEY'S RESTITUTION FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 13,109	\$ 3,834	\$ 3,099	\$ 13,844
LIABILITIES				
Due to Victims and Insurance Companies	\$ 13,109	\$ 3,834	\$ 3,099	\$ 13,844
<u>ENTERPRISE ZONE ADMINISTRATOR FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 1,087,595	\$ 1,053,370	\$ 34,225
Other Accounts Receivable	-	29,375	-	29,375
TOTAL ASSETS	\$ -	\$ 1,116,970	\$ 1,053,370	\$ 63,600
LIABILITIES				
Advances from Others	\$ -	\$ 1,670,590	\$ 1,606,990	\$ 63,600
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$4,490,322	\$177,177,415	\$176,350,747	\$ 5,316,990
Other Accounts Receivable	-	29,375	-	29,375
TOTAL ASSETS	\$4,490,322	\$177,206,790	\$176,350,747	\$ 5,346,365
LIABILITIES				
Due to Other Taxing Entities	\$4,073,805	\$176,085,986	\$175,290,778	\$ 4,869,013
Due to Developers	403,408	-	3,500	399,908
Due to Victims and Insurance Companies	13,109	3,834	3,099	13,844
Due to Other Entities	-	1,670,590	1,606,990	63,600
TOTAL LIABILITIES	\$4,490,322	\$177,760,410	\$176,904,367	\$ 5,346,365

OTHER SCHEDULES

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Pueblo
	YEAR ENDING : December 2014
This Information From The Records Of (example - City of _ or County of Pueblo)	Prepared By: Phone:

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	10,557,839
4. Miscellaneous local receipts (from page 2)	430,698
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	10,988,537
B. Private Contributions	
C. Receipts from State government (from page 2)	4,978,267
D. Receipts from Federal Government (from page 2)	1,028,125
E. Total receipts (A.7 + B + C + D)	16,994,929

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	5,263,351
2. Maintenance:	4,826,118
3. Road and street services:	
a. Traffic control operations	155,327
b. Snow and ice removal	414,268
c. Other	146,244
d. Total (a. through c.)	715,839
4. General administration & miscellaneous	972,811
5. Highway law enforcement and safety	424,328
6. Total (1 through 5)	12,202,447
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	0
b. Redemption	0
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)	12,202,447

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
	11,250,989	16,994,929	12,202,447	16,043,471	0

Notes and Comments:

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STATISTICAL SECTION

**PUEBLO COUNTY, COLORADO
STATISTICAL SECTION
DECEMBER 31, 2014**

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, 2014

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Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

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Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

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Assessed Value and Actual Value of Taxable Property	126
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Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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Full-Time Equivalent County Government Employees by Function/Program	142

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)

	2005	2006	2007
Governmental Activities			
Net Investment in Capital Assets	\$111,126,246	\$120,136,683	\$132,494,708
Restricted	4,055,916	4,811,887	3,780,362
Unrestricted	11,013,395	4,903,072	7,109,686
Total Governmental Activities Net Position	<u>126,195,557</u>	<u>129,851,642</u>	<u>143,384,756</u>
Business-Type Activities			
Net Investment in Capital Assets	(904,054)	(849,534)	(705,617)
Restricted	625,796	623,499	625,751
Unrestricted	(3,189,129)	(3,728,387)	(4,380,803)
Total Business-Type Activities Net Position	<u>(3,467,387)</u>	<u>(3,954,422)</u>	<u>(4,460,669)</u>
Primary Government			
Net Investment in Capital Assets	110,222,192	119,287,149	131,789,091
Restricted	4,681,712	5,435,386	3,780,362
Unrestricted	-	1,174,685	3,354,634
Total Primary Government Net Position	<u>\$114,903,904</u>	<u>\$125,897,220</u>	<u>\$138,924,087</u>

2008	2009	2010	2011	2012	2013	2014
\$143,787,351	\$156,687,721	\$157,610,527	\$162,146,287	\$158,573,781	\$168,371,127	\$170,479,412
9,608,772	3,384,675	3,086,170	6,152,043	46,463,097	4,355,457	5,044,256
(5,760,548)	(10,308,282)	(3,630,998)	(18,219,489)	(61,203,203)	(19,064,624)	(17,284,581)
<u>147,635,575</u>	<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>158,239,087</u>
(604,175)	(253,412)	(36,777)	155,022	358,781	543,135	730,337
626,541	-	-	-	-	-	-
(5,068,346)	(5,347,425)	(6,141,148)	(6,853,166)	(3,646,238)	(4,106,120)	(4,472,981)
<u>(5,045,980)</u>	<u>(5,600,837)</u>	<u>(6,177,925)</u>	<u>(6,698,144)</u>	<u>(3,287,457)</u>	<u>(3,562,985)</u>	<u>(3,742,644)</u>
143,183,176	156,434,309	157,573,750	162,301,309	158,932,562	168,914,262	171,209,749
10,235,313	3,384,675	3,086,170	6,152,043	46,463,097	4,355,457	5,044,256
(10,828,894)	(15,655,707)	(9,772,146)	(25,072,655)	(64,849,441)	(23,170,744)	(21,757,562)
<u>\$142,589,595</u>	<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>

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

Expenses	2005	2006	2007	2008
Governmental Activities:				
General Government	\$ 22,596,490	\$ 24,097,907	\$ 25,333,614	\$ 28,126,020
Public Safety	24,960,665	24,459,749	27,648,325	30,385,922
Road and Bridge	11,156,536	11,445,958	12,008,616	12,081,644
Health, Welfare and Sanitation	25,475,002	25,190,014	24,810,205	33,569,431
Culture and Recreation	1,365,328	1,291,565	1,837,992	2,273,878
Conservation	607,259	614,677	650,785	634,340
Urban Redevelopment and Housing	2,432,354	2,419,113	2,948,402	2,747,877
Economic Development and Assistance	508,165	510,294	333,798	321,472
Interest on Long-Term Debt	464,806	673,439	682,092	683,416
Total Governmental Activities Expenses	89,566,605	90,702,716	96,253,829	110,824,000
Business-Type Activities:				
Desert Hawk Golf Course	1,188,311	1,288,775	1,307,871	1,413,530
Total Primary Government Expenses	\$ 90,754,916	\$ 91,991,491	\$ 97,561,700	\$ 112,237,530
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 4,353,825	\$ 4,131,849	\$ 4,537,147	\$ 4,876,877
Public Safety	2,477,152	2,403,834	2,017,938	2,170,117
Road and Bridge	397,602	273,136	910,032	658,452
Health, Welfare and Sanitation	401,360	421,114	400,744	544,875
Culture and Recreation	44,013	68,113	69,738	97,076
Conservation	135,982	73,361	104,399	80,065
Urban Redevelopment and Housing	200,800	202,552	251,768	233,059
Operating Grants and Contributions	29,140,465	28,617,110	30,401,480	29,356,059
Capital Grants and Contributions	3,589,625	7,336,480	13,859,486	17,695,337
Total Governmental Activities Program Revenues	40,740,824	43,527,549	52,552,732	55,711,917
Business-Type Activities:				
Charges for Services:				
Desert Hawk Golf Course	727,633	748,573	717,443	765,894
Operating Grants and Contributions	18,236	30,667	32,094	16,210
Capital Grants and Contributions	6,685	2,500	-	12,853
Total Business-Type Activities	752,554	781,740	749,537	794,957
Total Primary Government Program Revenues	\$ 41,493,378	\$ 44,309,289	\$ 53,302,269	\$ 56,506,874
Net (Expense)/Revenue				
Governmental Activities	\$ (48,825,781)	\$ (47,175,167)	\$ (43,701,097)	\$ (55,112,083)
Business-Type Activities	(435,757)	(507,035)	(558,334)	(618,573)
Total Primary Government Net Expense	\$ (49,261,538)	\$ (47,682,202)	\$ (44,259,431)	\$ (55,730,656)

2009	2010	2011	2012	2013	2014
\$ 28,866,745	\$ 28,205,255	\$ 31,381,568	\$ 28,109,379	\$ 28,324,590	\$ 28,304,667
31,324,338	28,006,175	29,359,229	30,600,018	29,433,895	31,400,549
12,263,344	12,983,768	14,171,522	14,467,477	15,804,649	14,554,339
29,634,129	29,416,770	30,503,159	29,516,271	30,489,071	32,148,244
2,072,045	1,687,257	1,747,827	1,548,146	1,226,721	1,460,406
756,747	773,448	698,566	728,653	639,794	761,856
3,366,798	3,061,414	3,502,509	3,179,606	2,466,132	1,919,984
377,695	1,228,123	1,480,530	2,625,429	3,121,755	4,213,913
587,585	1,111,000	2,693,937	5,090,440	5,043,974	4,941,935
109,249,426	106,473,210	115,538,847	115,865,419	116,550,581	119,705,893

1,446,301	1,447,152	1,353,414	1,321,806	1,312,106	1,241,419
<u>\$ 110,695,727</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>

\$ 4,902,303	\$ 7,342,098	\$ 5,238,974	\$ 4,970,112	\$ 5,040,323	\$ 5,971,175
2,137,698	2,125,481	2,452,536	3,045,312	2,853,812	2,457,780
739,437	271,379	284,628	5,276,297	5,307,291	5,296,600
503,904	334,913	285,756	293,962	292,567	293,282
82,094	82,711	86,389	93,051	83,152	89,595
123,964	143,310	95,227	135,728	101,389	114,069
392,479	493,497	188,575	129,641	24,289	65,630
36,253,779	34,721,737	35,567,903	32,679,217	34,124,260	35,464,251
7,938,900	2,749,486	2,207,862	3,253,938	13,869,248	6,768,158
53,074,558	48,264,612	46,407,850	49,877,258	61,696,331	56,520,540

800,910	822,717	782,491	799,969	714,904	752,297
2,584	877	-	-	-	-
42,688	6,470	-	22,397	12,087	-
846,182	830,064	782,491	822,366	726,991	752,297

<u>\$ 53,920,740</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>
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\$ (56,174,868)	\$ (58,208,598)	\$ (69,130,997)	\$ (65,959,946)	\$ (54,854,250)	\$ (63,185,353)
(600,119)	(617,088)	(570,923)	(499,440)	(585,115)	(489,122)

<u>\$ (56,774,987)</u>	<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>
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PUEBLO COUNTY, COLORADO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2005	2006	2007	2008
General Revenues				
Governmental Activities:				
Property Taxes	\$ 28,382,636	\$ 29,616,421	\$ 34,693,901	\$ 38,379,259
Sales and Miscellaneous Taxes	14,443,971	15,167,499	16,236,549	15,818,534
Specific Ownership Taxes	3,502,288	3,663,442	4,117,058	4,205,114
Investment Earnings	1,237,032	1,905,501	1,994,338	980,491
Miscellaneous	32,464	108,079	22,223	12,766
Transfers	-	(20,000)	(20,000)	(33,262)
Total Governmental Activities	<u>\$ 47,598,391</u>	<u>\$ 50,440,942</u>	<u>\$ 57,044,069</u>	<u>\$ 59,362,902</u>
Business-Type Activities:				
Investment Earnings	\$ -	\$ -	\$ 32,087	\$ -
Transfers	-	20,000	20,000	33,262
Total Business-Type Activities	<u>-</u>	<u>20,000</u>	<u>52,087</u>	<u>33,262</u>
Total Primary Government	<u>\$ 47,598,391</u>	<u>\$ 50,460,942</u>	<u>\$ 57,096,156</u>	<u>\$ 59,396,164</u>
Change in Net Position				
Governmental Activities	\$ (1,227,390)	\$ 3,265,775	\$ 13,342,972	\$ 4,250,819
Business-Type Activities	(435,757)	(487,035)	(506,247)	(585,311)
Total Primary Government	<u>\$ (1,663,147)</u>	<u>\$ 2,778,740</u>	<u>\$ 12,836,725</u>	<u>\$ 3,665,508</u>

2009	2010	2011	2012	2013	2014
\$ 38,503,465	\$ 41,988,462	\$ 42,894,699	\$ 43,321,344	\$ 45,381,465	\$ 46,080,419
15,377,132	17,589,236	15,043,437	15,686,740	15,762,702	17,396,190
4,038,074	3,625,786	3,601,583	3,643,827	3,803,075	3,980,542
170,931	271,898	319,990	499,134	(18,717)	524,074
139,347	424,967	334,432	794,123	62,772	90,017
(45,262)	(40,000)	(50,000)	(3,909,027)	(308,762)	(308,762)
<u>\$ 58,183,687</u>	<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>
\$ -	\$ -	\$ 704	\$ 1,100	\$ 824	\$ 701
<u>45,262</u>	<u>40,000</u>	<u>50,000</u>	<u>3,909,027</u>	<u>308,762</u>	<u>308,762</u>
<u>45,262</u>	<u>40,000</u>	<u>50,704</u>	<u>3,910,127</u>	<u>309,586</u>	<u>309,463</u>
<u>\$ 58,228,949</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>
\$ 2,008,819	\$ 5,651,751	\$ (6,986,856)	\$ (5,952,020)	\$ 9,828,285	\$ 4,577,127
<u>(554,857)</u>	<u>(577,088)</u>	<u>(520,219)</u>	<u>3,410,687</u>	<u>(275,529)</u>	<u>(179,659)</u>
<u>\$ 1,453,962</u>	<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>

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

	Fiscal Year			
	2005	2006	2007	2008
General Fund				
Reserved	\$ 1,701,523	\$ 2,160,516	\$ 2,413,816	\$ 3,005,471
Unreserved	12,956,698	12,424,027	13,585,315	4,853,862
Total General Fund	<u>\$ 14,658,221</u>	<u>\$ 14,584,543</u>	<u>\$ 15,999,131</u>	<u>\$ 7,859,333</u>
All Other Governmental Funds				
Reserved	\$ 11,143,254	\$ 8,054,008	\$ 9,825,948	\$ 11,883,690
Unreserved, Reported in:				
Special Revenue Funds	7,590,889	6,969,389	5,054,811	4,863,803
Capital Projects Funds	-	-	-	-
Total All Other Governmental Funds	<u>\$ 18,734,143</u>	<u>\$ 15,023,397</u>	<u>\$ 14,880,759</u>	<u>\$ 16,747,493</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					
2009	2010	2011	2012	2013	2014
\$ 3,249,306	\$ 7,280,747				
25,334,134	26,852,607				
<u>\$ 28,583,440</u>	<u>\$ 34,133,354</u>				

\$ 7,218,252	\$ 6,950,464
5,067,321	7,222,212
(744,953)	322
<u>\$ 11,540,620</u>	<u>\$ 14,172,998</u>

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

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

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

	Fiscal Year			
	2005	2006	2007	2008
Revenues				
Taxes:				
Property Taxes, Net	\$ 28,382,635	\$ 29,616,421	\$ 34,693,901	\$ 38,379,266
Specific Ownership Taxes	3,502,288	3,663,443	4,117,058	4,205,114
Sales and Use Taxes	14,443,972	15,167,499	16,236,549	15,818,534
Fees and Fines	51,281	36,785	33,406	36,967
Licenses and Permits	130,889	140,799	136,343	172,312
Intergovernmental	28,355,693	30,377,912	37,343,640	42,799,885
State Highway Users Tax	3,432,603	4,404,789	3,944,552	3,754,591
Charges for Services	6,697,849	6,132,707	8,926,190	7,342,115
Investment Earnings	1,254,423	1,937,573	2,029,895	1,002,144
Contributions and Private Grants	620,456	370,367	536,556	621,837
Other Revenues	671,625	561,000	490,816	500,810
Total Revenues	<u>87,543,714</u>	<u>92,409,295</u>	<u>108,488,906</u>	<u>114,633,575</u>
Expenditures				
General Government	22,329,154	23,423,910	25,276,861	26,635,609
Public Safety	22,578,720	21,594,268	24,548,467	23,582,999
Highways and Streets	5,528,485	6,117,720	6,178,943	7,702,294
Health and Human Services	24,784,886	24,375,392	24,165,732	32,098,771
Culture and Recreation	634,822	544,053	1,064,231	1,235,612
Urban Development and Housing	2,093,965	2,001,422	2,528,092	2,349,052
Conservation	578,088	588,408	631,810	612,594
Economic Development Assistance	29,438	11,020	128,465	104,270
Intergovernmental	2,733,359	3,135,689	2,841,381	3,099,330
Debt Service:				
Principal	738,555	1,104,215	1,611,861	1,728,041
Interest and Other Charges	458,546	601,753	655,767	959,702
Debt Issuance and Insurance Costs	153,912	-	-	-
Capital Outlay	11,954,883	16,855,737	19,027,887	32,180,103
Total Expenditures	<u>94,596,813</u>	<u>100,353,587</u>	<u>108,659,497</u>	<u>132,288,377</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(7,053,099)</u>	<u>(7,944,292)</u>	<u>(170,591)</u>	<u>(17,654,802)</u>
Other Financing Sources (Uses)				
Issuance from Capital Lease	33,151	119,868	1,272,400	-
Proceeds from Certificates of Participation	-	-	-	11,415,000
Proceeds from Bonds Issued	9,645,000	4,060,000	-	-
Premium from Bonds Issued	224,587	-	-	-
Premium from COPs Issued	-	-	-	-
Discount from COPs Issued	-	-	-	-
Payment to Refunded Bond Escrow Agent	(9,715,675)	-	-	-
Transfers In	7,999,587	2,353,335	3,932,370	13,231,367
Transfers Out	(7,999,587)	(2,373,335)	(3,952,370)	(13,264,629)
Total Other Financing Sources (Uses)	<u>187,063</u>	<u>4,159,868</u>	<u>1,252,400</u>	<u>11,381,738</u>
Net Changes in Fund Balances	<u>\$ (6,866,036)</u>	<u>\$ (3,784,424)</u>	<u>\$ 1,081,809</u>	<u>\$ (6,273,064)</u>
Debt Service as a Percentage of Noncapital Expenditures	1.45 %	2.04 %	2.53 %	2.68 %

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					
2009	2010	2011	2012	2013	2014
\$ 38,503,465	\$ 41,988,462	\$ 42,894,699	\$ 43,321,346	\$ 45,381,465	\$ 46,080,419
4,038,074	3,625,786	3,601,583	3,643,827	3,803,075	3,980,542
15,377,132	17,589,236	15,043,437	15,686,739	15,762,702	17,396,190
36,847	24,756	41,421	42,661	32,075	41,016
182,545	170,765	174,488	249,950	502,006	1,101,703
39,343,083	31,903,068	31,899,234	30,307,089	38,444,504	40,243,767
4,258,482	4,504,950	4,540,767	4,554,965	4,604,132	4,708,327
7,573,454	6,689,953	7,209,946	12,442,726	11,793,977	12,267,130
175,961	271,898	319,990	223,353	(18,717)	524,074
587,586	663,503	751,753	388,519	268,023	784,640
744,892	3,350,140	1,053,022	1,612,209	727,004	636,949
<u>110,821,521</u>	<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>
27,612,550	26,317,193	30,060,394	27,188,093	27,239,875	27,788,339
26,531,567	23,623,411	25,072,526	25,970,555	26,128,149	26,180,149
7,665,246	6,782,217	7,156,834	7,191,094	7,425,035	7,377,167
27,007,626	26,476,356	26,856,745	28,005,206	28,047,137	29,650,774
725,993	689,501	1,213,862	787,893	716,716	950,674
3,004,412	3,996,932	4,748,937	2,928,674	2,260,312	1,828,874
621,776	647,661	658,969	670,167	582,128	780,302
120,282	968,065	1,264,510	2,409,429	2,915,755	4,015,513
4,828,137	3,367,813	2,994,171	2,388,570	2,285,330	2,452,650
1,564,538	2,702,766	2,539,165	2,027,050	2,663,316	2,768,172
1,848,574	2,175,909	2,614,695	3,789,644	5,077,399	4,975,400
-	-	-	1,441,272	-	-
20,047,288	4,812,401	12,201,925	22,163,159	49,635,933	20,185,936
<u>121,577,989</u>	<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>(10,756,468)</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>
-	-	1,874,015	-	-	-
26,600,000	-	-	55,000,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,400,198	-	-
(400,756)	-	-	-	-	-
-	-	-	-	-	-
6,420,417	2,571,222	12,335,090	3,283,508	10,005,614	2,387,210
(6,465,678)	(2,611,222)	(12,385,090)	(7,176,797)	(10,314,376)	(2,695,972)
<u>26,153,983</u>	<u>(40,000)</u>	<u>1,824,015</u>	<u>55,491,172</u>	<u>(308,762)</u>	<u>(308,762)</u>
<u>\$ 15,397,515</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>
3.36 %	4.99 %	4.90 %	5.55 %	7.35 %	7.12 %

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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
2005	28,301,480	28,036,208	99.06%	36,173	28,072,381	99.19%
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%	-	49,665,427	99.73%

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			
	2005	2006	2007	2008
County Direct Rates				
General	26.999	26.060	29.999	29.999
Library	1.247	1.094	1.073	0.954
Animal Shelter	0.943	0.866	0.835	0.755
Refunds/ Abatements-General Fund	-	-	-	-
Total Direct Rate	29.189	28.020	31.907	31.708
City and Towns Rates				
Boone	17.880	16.252	17.880	9.670
Pueblo	15.663	15.441	15.633	15.633
Rye	5.904	6.120	5.609	5.488
School Districts				
Edison 54J	36.629	36.837	36.357	38.814
Fowler R4J	40.979	40.410	39.896	38.183
Pueblo 60	45.349	42.515	42.587	39.152
Pueblo 70	56.009	49.859	48.831	41.873
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
Colorado City Cemetery	1.235	1.147	1.147	1.071
Colorado City Metro	17.258	16.745	17.967	16.646
Edison Fire Protection District	-	-	-	9.000
Fowler Rural Fire	4.796	4.630	4.635	4.546
Lower Arkansas Valley Water Conservancy	1.502	1.446	1.502	1.502
Midway Ranches Fire Protection District	-	-	-	-
Pine Drive Water	15.735	13.708	13.812	14.776
Pueblo Regional Library	5.250	5.250	5.250	5.250
Pueblo Rural Fire	24.268	24.268	24.268	24.268
Pueblo West Metro	19.666	18.934	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	0.947	0.943	0.941	0.915
St. Charles Mesa Sanitation	4.250	4.024	4.250	4.064
West Park Fire	4.974	5.433	5.346	5.433
Thunder Village Metropolitan Dist	-	-	-	-

Source: Pueblo County Abstract of Assessment

Year Taxes are Payable					
2009	2010	2011	2012	2013	2014
29.999	29.999	29.999	29.999	29.999	29.999
0.927	0.867	0.840	0.767	0.708	0.703
0.269	0.252	(0.140)	-	-	-
-	-	0.978	0.106	0.252	0.048
31.195	31.118	31.677	30.872	30.959	30.750
10.620	12.058	14.466	15.621	15.867	16.613
15.633	15.633	15.633	15.633	15.633	15.633
5.900	6.771	6.888	6.972	6.972	6.972
38.801	37.525	36.207	36.104	37.044	37.861
38.018	37.511	37.389	32.263	36.123	36.098
37.966	36.629	38.811	34.324	36.032	35.573
40.804	40.804	39.297	39.297	39.243	39.033
10.641	10.641	10.641	10.641	10.641	10.641
5.000	5.000	5.000	3.000	3.000	3.000
7.000	7.000	7.000	7.000	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
4.462	4.109	4.057	3.900	3.777	3.410
1.503	1.502	1.502	1.502	1.502	1.503
-	-	1.650	18.760	18.760	18.760
14.582	14.391	14.352	15.115	15.196	16.348
5.261	5.302	5.413	5.268	5.293	5.258
24.268	24.268	24.268	24.268	24.268	24.268
20.193	20.193	20.193	20.193	20.193	20.193
10.036	10.036	10.036	10.036	10.036	10.036
5.000	5.000	5.000	5.000	5.000	5.000
0.943	0.940	0.947	0.947	0.944	0.940
4.250	4.090	4.250	4.250	4.190	4.250
5.433	5.433	5.433	5.433	5.433	5.433
-	-	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
2005	53,932	466,545	1,675	220,102	101,088	10,465	117,679
2006	60,760	521,390	1,662	239,482	104,997	10,614	120,018
2007	58,304	542,161	1,674	247,349	108,087	10,731	118,276
2008	78,048	611,510	2,420	271,278	117,003	10,457	125,655
2009	77,017	626,504	2,800	284,856	128,941	10,563	129,353
2010	75,588	626,002	2,959	298,026	185,283	10,332	152,191
2011	75,008	631,212	3,051	300,396	218,743	10,316	160,096
2012	63,728	592,631	2,690	301,583	242,564	11,635	343,291
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

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 2005 to 2014 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
971,486	29.19	7,600,404	80,925	12.782%
1,058,923	28.02	8,401,841	88,997	12.603%
1,086,582	31.91	8,671,580	116,798	12.530%
1,216,371	31.71	9,766,507	123,006	12.455%
1,260,034	31.20	10,054,376	124,404	12.532%
1,350,381	31.12	10,376,477	129,829	13.014%
1,398,822	31.68	10,592,404	147,445	13.206%
1,559,121	30.87	10,777,971	152,654	14.466%
1,669,818	30.96	11,191,118	155,686	14.921%
1,552,200	30.75	10,895,124	163,999	14.247%

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

Taxpayer	<u>2014</u>		Percentage of Total County Taxable Assessed Value	<u>2005</u>		Percentage of Total County Taxable Assessed Value
	Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
Public Service Company of Colorado	242,264,900	1	15.61%	57,404,540	1	5.42%
Black Hills Colorado Electric (Aquila)	73,327,900	2	4.72%	9,296,500	4	0.88
GCC Rio Grande Inc	73,158,064	3	4.71%			-%
Intermountain Rural Electric	48,276,500	4	3.11%			
Black Hills Colorado IPP LLC	40,149,600	5	2.59%			
Vestas Towers America Inc	35,346,114	6	2.28%	-		
EVRAZ (Rocky Mountain Steel Mills)	18,704,862	7	1.21%	24,331,730	2	2.30%
Holy Cross Electric Assn Inc	17,461,700	8	1.12%			
Union Pacific Railroad Co	16,378,666	9	1.06%	7,826,000	5	0.74%
BNSF Railroad	14,998,300	10	0.97%	6,836,200	6	0.65%
Qwest Corporation				15,602,200	3	1.47%
B F Goodrich Aerospace Company				6,351,260	7	0.60%
Dayton Hudson Company				6,277,450	8	0.59%
Trane Company in Pueblo				4,992,370	9	0.47%
Parkview Medical Center				4,441,810	10	0.42%
Total	<u>580,066,606</u>		<u>37.38%</u>	<u>143,360,060</u>		<u>13.54%</u>

Source: County Assessor's Office

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

General Bonded Debt Outstanding						Percentage of Actual Taxable Value of Property (a)	Per Capita (b)
Fiscal Year Ended December 31,	General Obligation Library Bonds	Limited Tax General Obligation Bonds	Total	Less Debt Service Fund	Net		
2005	11,220,734	-	11,220,734	957,500	10,263,234	0.14 %	73
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

Note: For details on the County's outstanding debt, see the notes to the financial statements starting on page 53.

(a) See page 126 for property value data.

(b) Population data can be found on page 135.

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
2005	11,220,734	-	29,596	6,503,613	205,547
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	-

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	598,029	1,091,448	20,405,967	0.53 %	135
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

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PUEBLO COUNTY, COLORADO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014

<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	\$ 27,569,151	100.000 %	\$ 27,569,151
School District # 60	57,790,000	100.000 %	57,790,000
School District # 70	90,045,000	100.000 %	90,045,000
Pine Drive Water District	338,108	100.000 %	338,108
Colorado City Metro District	3,810,444	100.000 %	3,810,444
Town of Rye	449,888	100.000 %	449,888
Lower Arkansas Valley Water Conservancy District	295,690	24.000 %	70,966
Edison School District 54JT	385,000	5.000 %	19,250
Fowler R4J	925,000	31.450 %	925,000
Avondale Water & Sanitation	12,000	100.000 %	12,000
Pueblo City-County Library District	10,550,000	100.000 %	10,550,000
Pueblo West Metro District	10,192,635	100.000 %	10,192,635
Southeastern Colorado Water Conservancy District	35,690,815	19.640 %	7,009,676
Thunder Village Special District	<u>6,963,504</u>	100.000 %	<u>6,963,504</u>
Subtotal, Overlapping Debt	245,017,235	113.568 %	<u>\$ 215,745,622</u>
County Direct Debt	<u>106,686,097</u>		
Total Direct and Overlapping Debt	<u>\$ 351,703,332</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			
	2005	2006	2007	2008
Debt limit	\$ 252,055	\$ 260,147	\$ 292,995	\$ 301,631
Total Debt Applicable to Limit	-	3,626	2,859	2,062
Legal Debt Margin	<u>\$ 252,055</u>	<u>\$ 256,521</u>	<u>\$ 290,136</u>	<u>\$ 299,569</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00 %	0.00 %	0.98 %	0.68 %

**Legal Debt Margin Calculation
for Fiscal Year 2014:**

Actual Value (a)	10,984,590
Debt Limit (3% of Actual Value)	329,538
Debt Applicable to Limit - General Obligation Bonds	-
Legal Debt Margin	<u>329,538</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: 2014 County Abstract of Assessment

Note: From 2003 through 2014, the margin was 3% of actual value. General Obligation Library Bonds are excluded by state statute from legal debt margin requirements.

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 311,294	\$ 317,772	\$ 323,339	\$ 335,734	\$ 320,455	\$ 329,538
1,232	370	-	-	-	-
<u>\$ 310,062</u>	<u>\$ 317,402</u>	<u>\$ 323,339</u>	<u>\$ 335,734</u>	<u>\$ 320,455</u>	<u>\$ 329,538</u>
0.40 %	0.12 %	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
2005	151,104	3,870,097	25,612	36.0	84.5%	26,826
2006	153,243	4,009,351	26,363	36.8	85.3%	27,232
2007	154,712	3,350,443	21,656	36.4	86.1%	27,559
2008	156,781	3,402,618	21,703	36.3	86.9%	27,749
2009	158,804	3,393,959	21,372	37.8	87.8%	27,659
2010	159,106	3,348,227	21,044	38.0	77.7%	27,256
2011	160,630	3,163,608	19,695	39.0	72.4%	26,848
2012	161,422	3,467,667	21,482	38.6	70.5%	26,865
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

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.

<u>Commercial Construction</u>			<u>Residential Construction</u>	
Unemployment Rate	No. Of Units	Estimated Costs (thousands of dollars)	No. Of Units	Estimated Costs (thousands of dollars)
6.8%	63	35,085	1,116	181,576
5.0%	95	91,945	1,223	194,287
5.5%	98	56,915	664	112,955
7.5%	64	169,825	400	66,188
8.4%	45	33,041	208	41,949
8.9%	82	38,058	216	39,615
10.2%	43	14,384	117	20,893
10.6%	56	70,137	180	34,808
9.6%	42	17,588	159	28,935
7.3%	70	32,949	386	44,084

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

Employer	Employees	2014 Rank	Percentage of Total County Employment	Employees	2005 Rank	Percentage of Total County Employment
Parkview Hospital	1,960	1	2.86 %	1,872	2	2.90 %
Pueblo City Schools (School District 60)	1,800	2	2.63 %	2,419	1	3.75 %
EVRAZ (Rocky Mountain Steel)	1,218	3	1.78 %	800	9	1.24 %
St. Mary Corwin Hospital	1,200	4	1.75 %	1,100	3	1.70 %
Wal-Mart Stores	1,200	4	1.75 %	934	8	1.45 %
School District 70	1,101	6	1.61 %	1,023	5	1.58 %
Pueblo County	1,100	7	1.61 %	1,048	4	1.62 %
Colorado Mental Health Institute	1,000	8	1.46 %	976	7	1.51 %
City of Pueblo	620	9	0.91 %	700	10	1.08 %
Express Scripts	600	10	0.88 %	437	15	0.68 %
Loaf N Jug	540	11	0.79 %	-		- %
CSU - Pueblo	523	12	0.76 %	500	14	0.77 %
RMS Call Center	520	13	0.76 %	-		- %
Convergys	490	14	0.72 %	1,000	6	1.55 %
Vestas Towers	480	15	0.70 %	-		- %
Target Dist Center	450	16	0.66 %	520	13	0.81 %
Trane	450	17	0.66 %	681	11	1.05 %
AT&T Call Center	379	18	0.55 %	-		- %
Pueblo Community College	344	19	0.50 %	529	12	0.82 %
Mission Foods	320	20	0.47 %	-		- %
Pueblo Army Depot	280	21	0.41 %	225	24	0.35 %
INNOTRAC	270	22	0.39 %	300	17	0.46 %
Safeway Stores	262	23	0.38 %	350	16	0.54 %
TTCI	250	24	0.36 %	234	23	0.36 %
Xcel Energy	245	25	0.36 %	-		- %
Goodrich Corporation	200	26	0.29 %	256	20	0.40 %
Total	<u>17,802</u>		<u>26.00 %</u>	<u>15,904</u>		<u>24.62 %</u>
Total County	<u>68,507</u>		<u>100.00 %</u>	<u>64,573</u>		<u>100.00 %</u>

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				
	2005	2006	2007	2008	2009
Sheriff's Office					
Calls for Service:					
Law Enforcement	22,503	21,981	24,886	25,583	22,349
Fire	1,266	1,290	1,142	1,208	1,279
Medical Emergency	2,357	2,569	2,665	3,289	2,891
Physical Arrests	3,097	2,991	2,985	2,999	3,023
Traffic Violations	3,350	2,957	2,929	3,325	3,047
Detention					
Jail Population, Daily-Average	589	596	559	529	546
Public Works					
Customer Service Requests	172	185	204	177	207
Crushed Gravel (Tons)	100,000	75,000	103,048	104,018	110,000
Roads Chip Sealed (Miles)	18	32	21	33	35
Roads Dust Treated (Miles)	108	91	97	97	106
Roads Striped (Miles)	105	111	107	108	113
Recreation					
Golf Course Rounds	23,476	23,910	22,132	23,371	23,663
Golf Annual-Pass Holders	162	163	158	187	164

Source: County departments

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

Fiscal Year				
2010	2011	2012	2013	2014
26,285	27,656	27,834	28,576	28,890
1,242	1,356	1,598	1,551	1,439
3,113	3,388	3,502	3,585	3,698
2,829	2,804	2,840	3,450	3,457
2,413	2,712	2,412	2,289	2,786
558	601	613	615	672
238	194	215	296	267
67,000	95,134	76,094	77,996	80,000
15	16	14	14	31
178	106	108	109	104
113	105	105	105	105
22,986	22,732	24,387	24,260	26,306
182	189	192	182	162

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

Function/Program	Fiscal Year				
	2005	2006	2007	2008	2009
Law Enforcement					
Stations	2	2	2	2	2
Zone Offices	3	3	3	3	3
Patrol Units	45	52	55	49	50
Public Works					
Paved Roads Maintained (Miles)	471	476	483	491	571
Gravel Roads Maintained (Miles)	739	735	728	720	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				
2010	2011	2012	2013	2014
2	2	2	2	2
3	3	3	3	3
66	68	67	68	68
571	571	571	571	494
640	640	640	640	713
151	151	151	151	151
7	7	7	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				
	2005	2006	2007	2008	2009
General Government					
County Commissioners	6	7	8	8	8
County Attorney	8	8	8	9	9
County Surveyor	1	1	1	1	1
County Clerk/Recorder	35	34	34	36	35
Election	7	6	7	7	7
Treasurer	17	17	17	17	15
Assessor	32	32	30	32	29
District Attorney	61	62	65	64	63
Office of Budget	8	8	9	9	9
Purchasing	3	3	4	3	3
Human Resources	8	8	5	5	6
Planning and Development	10	11	12	10	10
Information and Computer Services	24	26	28	27	29
Fleet & Equipment Management	4	4	4	4	4
Facilities	56	56	56	55	58
GIS	4	4	4	4	5
Retirement	1	1	1	1	1
Total General Government	285	288	293	292	292
Public Safety					
Law Enforcement	96	95	98	101	103
Detention	146	170	183	181	181
Dispatch	15	16	15	17	17
Emergency Management	12	10	10	11	11
Coroner	1	1	4	4	4
Community Corrections Administration	-	-	-	-	-
Total Public Safety	270	292	310	314	316
Highways and Streets					
Road and Bridge	85	79	81	82	81
Health and Welfare					
Housing & Human Services	28	33	33	31	33
Social Services	284	289	284	299	302
Aging Services	3	3	3	3	3
Veterans Services	2	3	3	3	3
Total Health and Welfare	317	328	323	336	341
Culture and Recreation					
Parks	4	4	4	4	4
Conservation					
CSU Extension	5	5	5	5	5
Economic Development Administration	-	1	1	1	1
Total	966	997	1,017	1,034	1,040

Source: County Payroll Department

Full-time Equivalent Employees as of December 31

2010	2011	2012	2013	2014
8	8	8	8	7
9	9	9	9	10
1	1	1	1	1
33	33	35	35	31
7	8	7	8	8
15	15	12	16	15
29	29	28	27	25
61	61	62	57	61
8	7	7	6	7
3	3	3	3	3
6	6	6	6	6
9	10	9	10	10
29	28	28	28	29
4	4	4	4	4
56	51	58	62	60
5	4	5	5	6
1	1	1	1	1
284	278	283	286	284

103	113	113	110	111
181	176	180	181	198
18	18	19	19	15
11	12	12	15	16
4	4	4	1	1
-	-	2	2	2
317	323	330	328	343

78	74	80	77	73
----	----	----	----	----

45	40	28	21	22
302	319	320	308	331
3	3	3	3	3
3	3	3	3	3
353	365	354	335	359

4	4	4	-	-
---	---	---	---	---

5	5	5	5	5
---	---	---	---	---

1	-	-	-	-
---	---	---	---	---

1,042	1,049	1,056	1,031	1,064
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GOVERNMENT AUDITING STANDARDS
AND
OMB CIRCULAR A-133 REPORTS

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PUEBLO COUNTY, COLORADO
GOVERNMENT AUDITING STANDARDS AND OMB CIRCULAR A-133 REPORTS
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PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014

SECTION I - SUMMARY OF INDEPENDENT AUDITORS' RESULTS

FINANCIAL STATEMENTS

An unmodified opinion was rendered on the basic financial statements as of and for the year ended December 31, 2014.

Internal control over financial reporting:

- Material weakness(es) identified? X Yes 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 Section 510(a) of Circular A-133 X Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
93.558	Temporary Assistance for Needy Families (TANF)
93.568	Low-Income Home Energy Assistance
93.575	Child Care & Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
97.040	Chemical Stockpile Emergency Preparedness

Dollar threshold used to distinguish between type A and type B programs: \$1,138,482

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

PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

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 continue 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 agree 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 the 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.

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 suggest 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 agree with the above finding and will establish procedures to ensure accurate that accurate and timely physical inventory counts are completed.

PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2014-003

Federal Agency: U.S. Department of Health and Human Services
CFDA#: 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 three 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 is unable to support compliance with eligibility requirements identified above for two households which received benefits during 2014.

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

Recommendation: We continue 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 agree 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 have also employed temporary staff to work on the backlog of files that are in boxes while we address the longer term staffing issues. We anticipate being caught up with the backlog by early second quarter 2016.

PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014

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 is unable to support compliance with the eligibility requirements identified above for the household which received benefits during 2014.

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

Recommendations: We recommend 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 agree 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 have also employed temporary staff to work on the backlog of files that are in boxes while we address the longer term staffing issues. We anticipate being caught up with the backlog by early second quarter 2016.

PUEBLO COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2014

Finding 2013-001: Accrual of Expenditures

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

Context/Effect/Cause: Expenditures and accounts payable were overstated by \$365,199. Two warrants issued in 2014 and reported as December 31, 2013 liabilities and expenditures were in fact 2014 expenditures. Vouchers are marked as prior year expenditures at the department level and warrants and the related expenditures are automatically recorded in the preceding year when a voucher is marked as such. There is no process in place within the Finance Department to review warrants marked as prior year to ensure that the underlying expenditure was incurred in the prior year.

Recommendation: We recommended the County establish procedures 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 and will establish procedures to review vouchers and related supporting documents to ensure that expenditures are recorded in the proper accounting period.

Current Status: There was a recurring finding in 2014, even though we had informal training to describe the process for properly recording transactions in the correct period, with accounts payable clerks within the various county departments. We recognized that it was difficult for accounts payable clerks in outlying departments to fully understand accruing invoices. Therefore, 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 the 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.

Finding 2013-002

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 sufficient to ensure and document compliance with the eligibility requirements. Specifically, we were not able to locate three of the sixty files selected for eligibility

PUEBLO COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2014

testing. Therefore, we were not able to determine whether eligibility was properly determined for these three individuals.

Questioned Costs: The questioned costs relating directly to the amounts paid for the benefits provided to these three individuals during calendar year 2013 totaled \$10,585.

Effect: The County was unable to support compliance with eligibility requirements identified above for three individuals who received benefits during 2013.

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

Recommendation: We recommended 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 requirements retention period.

Views of responsible officials and planned corrective actions: We agreed with the above finding and we will improve our current filing and review procedures in monitoring compliance with eligibility requirements. Specifically, we will adopt procedures to reconcile the total number of case files on hand with the total number of case files in the computer system.

Current Status: We were unable to implement our original planned corrective action. Alternatively, 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 have also employed temporary staff to work on the backlog of files that are in boxes while we address the longer term staffing issues. We anticipate being caught up with the backlog by early second quarter 2016.

Finding 2013-003

Federal Agency: U.S. Department of Health and Human Services
CFDA#: 93.778 – Medical Assistance Cluster
Pass-through Entity: Colorado Department of Human Services

Criteria or specific requirement: Funds can only be used for Medicaid benefit payments (as specified in the State plan, Federal regulations, or an approved waiver); expenditures for administration and training; expenditures for the State Survey and Certification Program; and expenditures for State Medicaid Fraud Control Units(42 CFR section 435.10, 440.210, 440.220 and 440.180). Further, the Basic Guidelines under OMB Circular A-87 require that costs be adequately documented.

The State and Pueblo County contracted with Pueblo Step Up to provide case management services in Pueblo County. A State contract (#14-56673), under Exhibit A; Statement of Work; 3.0 Payment, specifically requires that “*The subcontractor shall submit an invoice monthly based on the Contractor’s actual expenditures for the period specified...Invoice shall be supplemented or accompanied by supporting data and subcontractor invoices, if any, covering Work shown on the invoice.*” Section 4.0 Department Responsibilities subsection

PUEBLO COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2014

4.1.3 states” *Submit payment to the Contractor upon the Department’s review and acceptance of deliverables and invoicing received from the Contractor.*”

Condition: Based on our review of the documentation provided, a payment was made to the contractor based on support that included quoted prices rather than invoices for actual expenses. In most instances, the County was later able to obtain supporting invoices from the contractor. However, there were some minor variances between the payment made and the underlying invoices.

Questioned Costs: The questioned costs were below the reporting threshold.

Effect: The County issued payment under the program without obtaining proper support for expenditures.

Cause: The County failed to properly review the support provided by the contractor.

Recommendation: We recommended the County develop and institute procedures that will ensure that proper documentation and support is obtained from the contractor prior to issuance of payments.

Views of responsible officials and planned corrective actions: We agreed with the above finding and we will develop and institute procedures that will ensure that proper documentation and support is obtained from the contractor prior to issuance of payments.

Current Status: Pueblo County Department of Social Services (PCDSS) sub-contracts with Pueblo Step-Up for a Colorado Health Care Policy & Finance (HCPF) EPSDT pass-thru grant. The PCDSS receives a monthly invoice from Pueblo Step-Up for grant expenses. The PCDSS then adds a fiscal agent fee before forwarding the monthly charges to HCPF. Beginning in July 2014, amounts from Pueblo Step-Up's payment documentation are compared to a submitted contract reimbursement statement for accuracy by the Finance Administrator. Any requests for reimbursement by Pueblo Step-Up not properly documented are denied. PCDSS grant policy requires proof of purchase to seek reimbursement by a sub-recipient for all grants.

**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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 16, 2015.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses. 2014-001 and 2014-002

Compliance and Other Matters

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

County of Pueblo, Colorado's Response to Findings

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

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.

He Peterson, Bruggagh, Davidson & Goodrich, PC

September 16, 2015

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**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE**

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 *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2014. 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 laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

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

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

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Opinion on Each of the Other Major Federal Programs

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, 2014.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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 certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-003 and 2014-004, that we consider to be significant deficiencies.

The County's responses to internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

McPherson, Breysfogel, Durkin & Woodruff, PC

September 16, 2015

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PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY'S IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
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	1,568,841
Supplemental Nutrition Assistance Enhanced Workfare	10.551	Not available	12,887
Food Distribution Cluster -			
Commodity Supplemental Food Program (Admin)	10.565	Not available	112,233
Commodity Supplemental Food Program (Commodities)	10.565	Not available	290,531
Passed through Care & Share -			
Emergency Food Assistance Program (Administrative Costs)	10.568	Not available	9,996
Emergency Food Assistance Program (Food Commodities)	10.569	Not available	696,654
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>2,691,142</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Passed through Colorado Department of Local Affairs -			
Emergency Shelter Grants Program	14.231	H4ESG13932	47,900
Community Development Block Grant	14.218	L12CSBG37	149,578
Passed through City of Pueblo, Colorado -			
Community Development Block Grant	14.218	CD1310	45,000
Home Investment Partnership Program	14.239	Not available	975
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>243,453</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Assistance -			
State Criminal Alien Assistance Program	16.606	Not available	30,688
Bulletproof Vest Partnership Program	16.607	Not available	3,205
Federal Forfeiture Funds	16.922	Not available	32,964
FBI Southern Colorado Task Force		Not available	2,414

PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
YEAR ENDED DECEMBER 31, 2014

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY'S IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF JUSTICE (Cont'd)</u>			
Passed through Colorado Department of Public Safety			
Division of Criminal Justice -			
Juvenile Accountability Incentive Block Grant (2014)	16.523	11-JB-L-10-05	15,212
Supervised Visitation, Safe Havens for Children	16.527	2009-CW-AX-K001	108,232
Crime Victim Assistance (DA)	16.575	13-VA-10-53	29,541
Crime Victim Assistance (Sheriff)	16.575	13-VA-10-54	55,016
Violence Against Women Formula Grants	16.588	12-VW-10-28	42,744
Passed through City of Pueblo, Colorado -			
Edward Byrne Memorial Justice Assistance Grant	16.738	2013-DJ-BX-0577	21,256
		2013 JAG - SWAT	
Edward Byrne Memorial Justice Assistance Grant	16.738	ROBOT	44,950
Edward Byrne Memorial Justice Assistance Grant	16.738	2014-DJ-BX-0816	7,244
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>393,466</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Passed through Colorado Department of Transportation -			
Highway Planning and Construction	20.205	DAR C020-026 & SHO M086-071 & BRO C020-037	1,115,857
Passed through from the City of Pueblo			
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Not available	33,035
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>1,148,892</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Passed through Colorado Office of Energy Conservation -			
Weatherization Assistance for Low-Income Persons	81.042	C900850 & C900896	591,224
Weatherization Assistance for Low-Income Persons-ARRA	81.042	Not available	89,381
Weatherization Assistance CIP	81.042	C900850 & C900896	6,804
Weatherization Assistance CIP - ARRA	81.042	Not available	33,548
TOTAL U.S. DEPARTMENT OF ENERGY			<u>720,957</u>
<u>US ELECTION ASSISTANCE COMMISSION</u>			
Passed through from Colorado Secretary of State			
Help America Vote Act Requirements Payments	90.401	Not available	44,895
TOTAL U.S. ELECTION ASSISTANCE COMMISSION			<u>44,895</u>

PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
YEAR ENDED DECEMBER 31, 2014

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	PASS-THROUGH ENTITY'S <u>IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</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	12 IHA 30643	10,552
Title VII - Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	12 IHA 30643	303
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	12 IHA 30643	7,032
Aging Cluster -			
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	12 IHA 30643	284,849
Title III, Part C - Nutrition Services	93.045	12 IHA 30643	474,128
Nutrition Services Incentive Program (USDA)	93.053	Not available	76,298
Title III, Part E - National Family Caregiver Support	93.052	12 IHA 30643	83,539
Affordable Care Act-MIPPA	93.518		53,455
Temporary Assistance to Needy Families	93.558	Not available	10,193,384
Title IV-D, Child Support Enforcement	93.563	Not available	1,364,196
Low-Income Home Energy Assistance (DSS)	93.568	Not available	3,680,569
Low-Income Home Energy Assistance (HHS)			239,533
Child Care Cluster -			
Child Care & Development Block Grant	93.575	Not available	137,540
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Not available	1,264,212
Child Welfare Services-State Grants Title IV-B	93.645	Not available	87,542
Foster Care - Title IV-E	93.658	Not available	2,255,753
Adoption Assistance	93.659	Not available	957,424
Social Services Block Grant - Title XX	93.667	Not available	1,051,433
Chafee Foster Care Independence Program	93.674	Not available	116,439
Title XIX, Medicaid Medical Assistance Program	93.778	Not available	1,556,856

PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
YEAR ENDED DECEMBER 31, 2014

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY'S IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF 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	236,140
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	874,340
Passed through Colorado Department of Local Affairs -			
Community Services Block Grant	93.569	Not available	<u>262,453</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>25,297,924</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Passed through Colorado Department of Emergency Management -			
Chemical Stockpile Emergency Preparedness		13CESP13PC& 14CSEP14PC & 12EM72252 & 11EM71B52 & 12EM71252	7,160,143
	97.040		
2011 Homeland Security Grant	97.067	11SHS12SR	5,344
2012 Homeland Security Grant	97.067	12SHS13SR	37,969
2013 Homeland Security Grant	97.067	13SHS14SR	166,000
2014 EMPG/LEMS	97.042	13EM-14-52	<u>39,200</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>7,408,656</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 37,949,385</u>

NOTE 1 – BASIS OF PRESENTATION

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

NOTE 2 – OTHER ITEMS

The amount of noncash assistance expended during the year ended December 31, 2014 totaled \$1,110,122, which is represented by the Commodity Supplemental Food Program (commodities), CFDA #10.565 and the Temporary Emergency Food Assistance Program (Commodity Distribution), CFDA #10.569.

The amount of expenditures of federal awards paid to sub-recipients during the year ended December 31, 2014 is as follows:

Emergency Shelter Grants Program, CFDA #14.231	\$ 43,900
Title III, Part D – Disease Prevention and Health Promotion Services, CFDA #93.043	7,032
Title III, Part B – Grants for Supportive Services and Senior Centers, CFDA #93.044	164,425
Title III, Part C – Nutrition Services, CFDA #93.045	502,016
Title III, Part E – National Family Caregiver Support, CFDA #93.052	83,539
Nutrition Services Incentive Program, CFDA #93.053	76,298
Affordable Care Act – Aging & Disability Resource Center, CFDA #93.517	29,448
	<u>\$ 906,658</u>

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