Pueblo Urban Renewal Authority

Financial Statements and Report
of
Independent Certified Public Accountants

December 31, 2019 and 2018

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ADDITIONAL SUPPLEMENTARY INFORMATION

PUEBLO URBAN RENEWAL AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the Pueblo Urban Renewal Authority's financial performance gives an overview of the Authority's financial activities for the year ended December 31, 2019. The analysis should be read in conjunction with the Authority's financial statements that begin on page 3.

FINANCIAL HIGHLIGHTS

- The Authority's governmental activities net position decreased by $1.814 million for the year ended December 31, 2019. The decrease is primarily due to the transfers out related to capital activity. The business-type activities net position increased by $3.198 million. The increase was primarily due to transfers in related to capital activity. The combined primary government net position increased by $1.385 million.

- During 2019, the Authority's revenues totaled $12.691 million of which $10.220 million was for governmental activities. The revenue in governmental activities is primarily derived from property tax increment in the amount of $4.743 million, state sales tax increment to fund the RTA Project in the amount of $2.123 million, and vendors' fees in the amount of $2.238 million. Business-type activities generated $1.732 million in revenues from charges for services.

- During 2019, the governmental activities transferred $5.519 million to the Convention Center business activity for operations and maintenance of the facility, debt service, and capital assets. The Funds were generated by vendors' fees, sales tax increment, bond proceeds and loan proceeds.

- During 2019, the Authority's expenses totaled $11.306 million, of which $6.515 million was for governmental activities and $4.791 million was for business-type activities.

- The Authority had total bonds and bank notes payable of $37,465,932 at December 31, 2019, which is a decrease of $2,811,621 from 2018. The balance on the Refunding series 2017 is $6.026 million with interest rate of 3.95% and maturing in September, 2029. The balance on the Memorial Hall Series 2011B bonds is $9.520 million with interest ranging from 2.5% to 5.25% and maturing in December, 2038. The balance on the Pueblo Convention Center Series 2011B bonds is $3.095 million with interest ranging from $2.25% to 5.5% and maturing in December, 2028. The balance of the Regional Tourism Act Revenue Bonds is $14.100 million with interest ranging from 2.25% to 5% and maturing in December 2036. The principal on the Lake Avenue bank note is $2.172 million with interest rate of 4.5% and maturing in December 2029. The principal on the Dillon Flyover bank note is $2.476 million with an interest rate of 3.95% and maturing December, 2030. The principle on the 115 E. River walk office condominium is $95,528 with an interest rate of 4.004% and ballooning in January, 2022.

In 2019 the Authority also received contributions from the City of Pueblo for debt service obligations. The City contributed $286,889 or 40% of the annual bond payment and operations on the Main Street Parking Garage. The contributions were made under the terms of cooperation agreements in place between the City and the Authority.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3-4) provide information about activities of the Authority as a whole and present a longer-term view of the Authority's finances (also known as government-wide statements). Fund financial statements start on page 5. For governmental activities, these statements (known as fund financials statements) tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Authority's operations in more detail than the government-wide statements by providing information about the Authority's most significant funds.

Reporting the Authority as a Whole

The Statement of Net Position and the Statement of Activities
The analysis of the Authority as a whole begins on page 3. The Statement of Net Position and the Statement of Activities report information about the Authority and its activities as a whole. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

These two statements report the Authority's net position and year over year changes. You can think of the Authority's net position – The difference between assets, deferred outflows of resources and liabilities and deferred inflows of resources – as one way to measure the Authority's financial health, of financial position. The net position is reported on one day in time, typically the last day of the year. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, the Authority is divided into two kinds of activities:

- Governmental activities – The Authority's basic services are reported here. The Authority derives its primary source of revenue from Tax Increment Financing (TIF), which is then used to help stimulate development by using a wide variety of techniques. The Authority currently participates in a multitude of projects, either by offering direct incentives to private developers, utilizing public/private partnerships, or by directly investing in public improvements. The Authority may only operate in City Council approved "project areas" and TIF may only be spent in the project area in which it was collected. Current Authority project areas include: the Expanded Downtown Project Area, the Lake Minnequa Project Area, the North Pueblo Project Area, the South Santa Fe Project Area, the Thunder Village Project Area, the Saint Charles Project Area, Fountain Creek (East Side) Project Area, the Union Avenue Project Area, the Lower West Side Project Area, the EVRAZ Rail Project Area, the Regional Tourism Act Project and the Memorial Hall (vendor fee).

- Business-type activities – The Pueblo Convention Center operations are reported here and include transfers in from the Memorial Hall (Vendor Fee) fund and the Regional Tourism fund to subsidize operations and debt services of the Convention Center.

Reporting the Authority's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 5 and provide detailed information about the most significant funds – not the Authority as a whole. The Authority's two kinds of funds – governmental and proprietary – use different types of accounting approaches.

Governmental Funds

The Authority reports the following major governmental funds:

- The general fund is the primary operating fund of the Authority and is always classified as a major fund. The general fund is used to account for all financial resources of the Authority except those resources, if any, that are required to be accounted for in a separate fund. Major revenue sources include property taxes and investment earnings. Primary expenditures include general government, economic development and interest on long-term debt. Other major funds of the Authority include the Expanded Downtown Project Area, Saint Charles Project Area, Lake Minnequa Project Area, Regional Tourism Act Project, Memorial Hall (Vendor Fee) Fund, and the Debt Service Fund. All other funds, not considered major, are reported in Other Governmental Funds.

Proprietary Fund

The following is a description of the major proprietary fund of the Authority:

- The proprietary fund accounts for the operation of the Authority's Convention Center activities. Activities of the fund include operation and maintenance of the Convention Center, along with accumulation of resources for the payment of principal and interest on the revenue bonds outstanding. The Convention Center is managed by Spectra Management under a management agreement with the Authority. All costs of the Convention Center are financed through charges to users, along with transfers of vendor fee revenues from the Memorial Hall (Vendor Fee) fund and the Regional Tourism fund to subsidize operations and debt service payments.

The Authority as a Whole

The Authority's combined net position increased in 2019 by $1.385 million. The combined increase came from a decrease of ($1.814 million) in governmental activities and an increase of $3.199 million in business-type activities. The table below reports a summary of the Statement of Net Position.

	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
		(as restated)		(as restated)		(as restated)
Current and other assets	$ 7,559,378	$ 7,214,508	$ 1,311,030	$ 151,453	$ 8,870,408	$ 7,365,961
Restricted assets	3,059,560	3,576,848	2,849,102	6,371,065	5,908,662	9,947,913
Capital assets, net	12,023,726	12,259,022	37,306,575	32,975,523	49,330,301	45,234,545
Total assets	22,642,664	23,050,378	41,466,707	39,498,041	64,109,371	62,548,419
Deferred outflows of resources	362,002	320,778	472,725	525,250	834,727	846,028
Current liabilities	248,268	451,574	764,491	3,098,598	1,012,759	3,550,172
Due to primary government	3,186,363	1,553,542	12,200,000	9,548,730	15,386,363	11,102,272
Long-term debt	21,377,888	22,091,363	17,539,503	19,139,258	38,917,391	41,230,621
Total liabilities	24,812,519	24,096,479	30,503,994	31,786,586	55,316,513	55,883,065
Deferred inflows of resources	5,608,166	4,876,805	-	-	5,608,166	4,876,805
Net investment in capital assets	6,094,742	5,861,232	8,233,295	1,656,713	14,328,037	7,517,945
Restricted for Debt Svc and district projects	4,272,694	8,349,779	2,849,102	6,371,065	7,121,796	14,720,844
Unrestricted	(17,783,455)	(19,813,139)	353,041	208,927	(17,430,414)	(19,604,212)
Total Net Assets	$ (7,416,019)	$ (5,602,128)	$11,435,438	$ 8,236,705	$ 4,019,419	$ 2,634,577

The following table is a brief summary of the reported changes in net position:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
		(as restated)		(as restated)		(as restated)
Revenues						
Program Revenues						
Charges for services	$ 400,200	$ 265,054	$ 1,732,204	$ 1,195,158	$ 2,132,404	$ 1,460,212
Grants and contributions	664,389	783,849	660,990	-	1,325,379	783,849
General revenues					-	-
Property Taxes	4,743,424	4,272,375	-	-	4,743,424	4,272,375
Sales tax increment	2,122,932	2,821,923	-	-	2,122,932	2,821,923
Vendors' fee	2,237,636	2,335,708	-	-	2,237,636	2,335,708
Loss on Asset Exchange	-	-	-	(14,842)	-	(14,842)
Interest earnings	51,665	278,802	77,686	-	129,351	278,802
Miscellaneous	-	71,672	-	-	-	71,672
Total Revenues	10,220,246	10,829,383	2,470,880	1,180,316	12,691,126	12,009,699
Expenses						
General Government	2,640,174	1,297,453	-	-	2,640,174	1,297,453
Economic Development	2,833,314	3,205,774	-	-	2,833,314	3,205,774
Interest on long term debt	1,041,517	2,038,672	-	-	1,041,517	2,038,672
Convention Center	-	-	4,791,279	2,738,963	4,791,279	2,738,963
Total Expenses	6,515,005	6,541,899	4,791,279	2,738,963	11,306,284	9,280,862
Increase(decrease) in net position	3,705,241	4,287,484	(2,320,399)	(1,558,647)	1,384,842	2,728,837
					-	-
Transfers in/(out)	(5,519,132)	(4,249,601)	5,519,132	4,249,601	-	-
					-	-
Changes in net position	(1,813,891)	37,883	3,198,733	2,690,954	1,384,842	2,728,837
					-	-
Net position, January 1- restated	(5,602,128)	(5,640,011)	8,236,705	5,545,751	2,634,577	(94,260)
Net position, December 31	$(7,416,019)	$ (5,602,128)	$11,435,438	$ 8,236,705	$ 4,019,419	$ 2,634,577

Governmental Activities-Change in Net Position

The Authority's governmental activities program revenue for 2019 was $1.064 million and the general revenue was $9.155 million. Expenses totaled $6.515 million. The resulting change in net position, after transfers, for governmental activities was a decrease of ($1.813 million). The assumption of new debt to the primary government contributed to the decrease in governmental activities for the Authority as a whole.

The governmental activities primary revenue source is from vendors' fees and tax increment financing (TIF). TIF is the difference between property and/or sales taxes after a development is completed and before a development is started. The Authority anticipates future TIF and vendors' fee revenues will be adequate to cover project expenses and debt service.

Business-Type Activities- Change in Net Position

Program revenues from the Authority's business-type activities which include the Pueblo Convention Center totaled $2.393 million. Expenses totaled $4.791 million. The resulting change in net position, after transfers, for business-type activities was an increase of $3.198 million. The increase is primarily due to transfer of TIF and vendor fee revenues into this fund that was used to pay down debt.

The Authority's Funds

The governmental funds consist of the general fund, four (4) major special revenue funds, one (1) major capital projects fund, one (1) Regional Tourism Act Fund, one (1) debt service fund, and three (3) non-major special revenue funds. South Santa Fe and Union Avenue have been included with the general fund because they no longer meet the criteria of special revenue funds under generally accepted accounting principles. Revenues and expenditures of the TIF project areas and the Memorial Hall project are included in these funds. The fund balances are reported as non-spendable, restricted, committed, assigned or unassigned.

Capital Assets

At the end of 2019, the Authority's had $49.330 million invested in capital assets. The amount represents a increase of $4.096 million from 2018. These capital assets include land, buildings, improvements, along with furniture and fixtures. The Authority strives to maintain its assets in good working condition. The increase in capital assets during 2019 is due primarily to the addition of buildings owned by PURA consisting of Convention Center Expansion, Professional Bull Riders Sports Performance Center, Fan Zone and Parking Garage.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Non-depreciable assets-						
Land	$ 918,435	$ 918,435	$ 326,094	$ 326,094	$ 1,244,529	$ 1,244,529
Construction in Progress	-	-	-	25,864,862	-	25,864,862
Medal of Honor Memorial	-	-	295,097	295,097	295,097	295,097
Depreciable assets-					-	-
Buildings	11,105,291	11,340,101	34,580,083	5,570,729	45,685,374	16,910,830
Improvements	-	-	1,136,827	590,134	1,136,827	590,134
Fixtures	-	486	968,474	328,607	968,474	329,093
Totals:	$12,023,726	$12,259,022	$37,306,575	$32,975,523	$49,330,301	$45,234,545

Debt Administration

Bonds Payable

The Authority has outstanding bonds payable of $35.167 million which is a decrease of $2.577 million from 2018.

	Issue Date	Maturity Date	Purpose	Issue Amount	Interest Rate	12/31/2019 Balance
A	2011	2038	Historic Memorial Hall	$10,000,000	2.25% to 5.25% (tax exempt)	$ 9,520,000
B	2011	2028	Convention Center	$3,890,000	2.25% to 5.5% (tax exempt)	3,075,000
C	2017	2029	Parking Garage	$7,363,000	4.698% to 4.937% (tax exempt)	6,026,700
D	2017	2036	RTA Project	$17,030,000	2.25% to 5.00% (tax exempt)	14,100,000
E	2018	2032	Lake Minnequa District Refunding	$2,420,000	3.95% (tax exempt)	2,172,594
Total outstanding bonds						$34,894,294

A. In 2011, Series 2011B improvement revenue bonds in the amount of $10 million were issued for the purpose of providing funds for the remodeling and restoring of the historic Memorial Hall which is within the expanded downtown project area. Interest and principal are payable from the proceeds of the pledged revenue which consists of 3.3% of the City of Pueblo's sales and use tax collections known as Vendors' Fees.

B. In conjunction with the issuance of the series 2011B bonds for the Memorial Hall project, the Series 2005 Convention Center bonds were refunded. The new bonds consist of Series 2011A taxable revenue refunding bonds in the amount of $1.59 million, which was paid off in 2016, and Series 2011B tax-exempt refunding bonds in the amount of $3.89 million. Interest and principle are payable from the proceeds of the pledged revenue which consists of 3.3% of the City of Pueblo's sales and use tax collections known as Vendors' Fees that are reported as revenue in the Memorial Hall fund and subsequently transferred to the Convention Center fund for debt service.

C. In 2006, revenue bonds of $9.5 million were issued to assist in the financing and construction of a parking garage. The incremental property tax collected from 2007 to 2030 from the Downtown Expanded Project Area is pledged to repay the 2006 series bonds. In addition, the Authority has entered into a cooperation agreement with the City to share the debt service and other expenses incurred related to the 2006 bonds in the ratio of 40% to be paid by the City and 60 % to be paid by the Authority. In 2008, the Authority converted these bonds to tax-exempt bonds resulting in interest savings of $2.7 million over the remaining term. In 2017 a Revenue refunding took place for a total of $7,363,000 principle with an interest rate of 3.95% to mature in 2029. The Downtown Expanded Project Area TIF is pledged to repay these bonds. Any excess TIF that is generated by the project area above and beyond the annual debt service payment and reserve requirements is returned to the Authority.

D. In 2017, revenue bonds of $17.030 million were issued to assist in the financing and construction of the Regional Tourism Act Projects phase 1 and component parts of 2 and 3 consisting of the Expansion of the Pueblo Convention Center and the Professional Bull Riders Sports Performance Center. The interest on the bonds range from 2.25% to 5% and will mature June 2036.

E. The $2,420,000 series 2018 revenue refunding bonds were issued by the Authority to advance refund $2,420,000 of outstanding series 2011 revenue bonds, which were issued to provide funds for the construction of certain infrastructure and other improvements in the Lake Minnequa district. Interest and principal on this note are payable from the pledged incremental property taxes generated within the Lake Minnequa district. The interest rate is 3.95% and the bonds will mature December 2032.

Bank note issue and Other Notes Payable

F. In 2011, the Authority also executed a note in the amount of $256,000 to finance new office space at 115 E. River walk, Unit 401, Pueblo, Colorado. The interest rate is 3.276% and the balance at December 31, 2015 was $217,415. This note remained outstanding at December 31, 2016 with a balance of $207,851. The note was refinanced on February 6, 2017 in the amount of $206,188 with an interest rate of 4.004%. The balance on December 31, 2019 was $95,528 and will mature January 2022.

G. In December, 2013 a $4 million multi-draw term bank note was executed to fund the North Pueblo Dillon Flyover Project. The interest rate is 3.95% due in annual installments of $327,942. The principle balance at year end 2019 was $2.476 million. The Authority executed a cooperation agreement with the City of Pueblo, whereby, the City agreed to contribute an amount equal to the debt service payment shortfall until the project area can generate revenues to satisfy the debt service payment. The Authority has agreed to repay the City contributions with simple interest at 5% as revenues in the project area grow.

Due From/To Primary Government
The Authority has several agreements with the City of Pueblo for various projects and activities as follows:

	Governmental Activities	
	2019	2018
Due to City of Pueblo for,		
Payments on Dillon Flyover loan	$ 997,346	$ 954,584
Accounts payable for 1601 study-North Pueblo	512,398	512,398
Gateway Plaza	1,676,619	86,560
Convention Center note	12,200,000	9,548,730
Total Due to Primary Government	$15,386,363	$11,102,272

- The parking garage expenses result from a letter of understanding between the City and the Authority whereby the Authority and City share the net costs of the parking facility. The Authority owns the building and the City owns the ground. The City is responsible for 40% of the net costs and the Authority is responsible for 60% of net costs. During 2019, the City of Pueblo contributed $286,889 to the Authority to cover the annual debt service on the Main Street Parking Garage.

- The Authority has committed to providing 20% of the total 1601 study costs to the City of Pueblo for planning the Dillon Drive Flyover and split diamond exchange in the North Pueblo Project area. The Agreement with the City provides that the tax increment revenues generated by the North Pueblo Project Area are pledged for repayment of this obligation subordinate to the bank loan. In 2019, the Authority reimbursed the City of Pueblo $0 for the 1601 Study.

- During 2013, the Authority entered into a construction and maintenance agreement with the City of Pueblo for the Lake Avenue Streetscape project. As a part of the agreement, the City agreed to pay for drainage, storm water and sanitary sewer upgrades in the area. The City has fully reimbursed the Authority. In addition, the Agreement assigns the responsibility for maintenance of the improvements to the Authority for the next 20 years ending in 2031.

- During 2017, the Authority entered into two promissory notes totaling $14.4 million with the City of Pueblo for the Regional Tourism Act Projects consisting of the expansion to the Pueblo Convention Center, Professional Bull Riders Sports Center and Gateway Plaza. The total drawn and outstanding on these notes at December 31, 2019 is $13,876,619.

Contingencies and Commitments

The following commitments are not reflected on the Authority's financial statements. They are, however, included in the footnotes of the audit report. The Authority will record the liabilities for these commitments when TIF dollars are collected and expended by the Authority.

- Thunder Village Metropolitan District (TVMD): The Authority has entered into an agreement with TVMD which provides that the Authority will reimburse TVMD for the costs of certain public improvements. As of December 31, 2011, the Authority received $7.05 million in reimbursement requests from TVMD. The Authority will repay the district using future TIF revenues generated in the taxing area until 2032. In 2019 the Authority reimbursed TVMD $20,036.

- Vestas Towers: The Authority entered into a reimbursement agreement with Vestas Towers America, Inc. (Vestas). This agreement provides the Authority will reimburse Vestas for its costs incurred for certain public improvements up to $12.2 million plus 4.5% interest per annum subject to the collection of the tax increment revenues. The authority will also pay 50% of the County personal property taxes assessed for a period of 10 years beginning in 2012. In conjunction with the Vestas reimbursement agreement with the City whereby the Authority will remit to the City of Pueblo an amount equal to the City's proportion of the total mill levy. In addition, the Authority has committed to pay $7,568,732 to the County of Pueblo and the Board of Water Works of Pueblo after Vestas has been paid in full. On November 11, 2010, Vestas submitted a formal reimbursement request in the amount of $12,500,000. In 2019, the Authority reimbursed Vestas $733,964 in county personal property tax credits, $924,175 in Pueblo County Reimbursement, and $616,116 in Board of Water Works Reimbursement. In 2017, the principle amount payable to Vestas was paid in Full. Pueblo County reimbursement balance was $2,345,888, and the Board of Water Works reimbursement balance was $2,259,519.

- In connection with the North Pueblo Dillon Flyover loan, the Authority entered into an agreement with the City of Pueblo, which allows for the City, at its discretion, to fund any shortfalls in the Authority's ability to make debt service payments form pledged incremental property taxes. The agreement provides that if the North Pueblo district eventually provides the Authority with a surplus of incremental property taxes, the Authority will repay the shortfall payments made by the City, along with 5% of simple interest. During 2019, the Authority generated adequate incremental property taxes and did not require shortfall coverage from the City.

Budgetary Highlights

The Authority adopts budgets for all funds and each fund uses the current financial resources measurement and the modified accrual basis of accounting in preparing the budgets. Expenditure estimates in the annual budgets are enacted into law through the passage of a resolution. The board of commissioners may amend the original adopted budget during the year by passing a new resolution to reflect current needs. The level of budgetary control for all funds is at the total fund level which means that total uses cannot exceed total appropriations for that fund. Detailed budget comparison schedules for each fund can be found in the supplementary information section of the audited financial statements.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances for all interested parties. Questions concerning any of the information provided in this report or request for addition information should be addressed to the Chairman of the Pueblo Urban Renewal Authority Board, 115 E. River walk, Unit 410, Pueblo, CO 81003

Haynie & Company
Certified Public Accountants
& Management Consultants

1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120
303-734-4800
303-795-3356
www.HaynieCPAs.com

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Pueblo Urban Renewal Authority
Pueblo, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Pueblo Urban Renewal Authority (the Authority) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority'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.

Opinion
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, each major fund, and the aggregate remaining fund information of Pueblo Urban Renewal Authority as of December 31, 2019, 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.

Opinion

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, each major fund, and the aggregate remaining fund information of Pueblo Urban Renewal Authority as of December 31, 2019, 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, budgetary comparison information and pension schedule as listed in the table of contents 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 the Authority's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other schedules as listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other schedules as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2020 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Haynie & Company

Littleton, Colorado
May 12, 2020

BASIC FINANCIAL STATEMENTS

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Statement of Net Position

December 31, 2019

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	$ 1,335,959	$ 909,264	$ 2,245,223
Restricted cash and cash equivalents	350,872	-	350,872
Receivables	6,302,637	166,253	6,468,890
Internal balances	(186,426)	186,426	-
Inventory and prepaid items	107,208	49,087	156,295
Restricted assets under debt obligations:			
Cash and cash equivalents	518,503	193,498	712,001
Investments	2,190,185	2,655,604	4,845,789
Capital assets, net of accumulated depreciation:			
Land and non-depreciable assets	918,435	621,191	1,539,626
Buildings	11,105,291	34,580,083	45,685,374
Improvements	-	1,136,827	1,136,827
Furniture and fixtures	-	968,474	968,474
Total capital assets, net	12,023,726	37,306,575	49,330,301
TOTAL ASSETS	22,642,664	41,466,707	64,109,371
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts on refunding	193,244	472,725	665,969
Deferred outflows related to pension	162,544	-	162,544
Deferred outflows related to OPEB	6,214	-	6,214
TOTAL DEFERRED OUTFLOWS OF RESOURCES	362,002	472,725	834,727
LIABILITIES			
Accounts payable and accrued expenses	248,268	764,491	1,012,759
Due to primary government	3,186,363	12,200,000	15,386,363
Long-term liabilities:			
Due within one year	1,210,044	2,115,696	3,325,740
Due in more than one year	20,167,844	15,423,807	35,591,651
TOTAL LIABILITIES	24,812,519	30,503,994	55,316,513
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	101	-	101
Property taxes	5,608,065	-	5,608,065
TOTAL DEFERRED INFLOW OF RESOURCES	5,608,166	-	5,608,166
NET POSITION			
Net investment in capital assets	6,094,742	8,233,295	14,328,037
Restricted for debt service and district projects	4,272,694	2,849,102	7,121,796
Unrestricted	(17,783,455)	353,041	(17,430,414)
TOTAL NET POSITION	$ (7,416,019)	$ 11,435,438	$ 4,019,419

The accompanying notes are an integral part of these financial statements.

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Statement of Activities

For the Year Ended December 31, 2019

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
FUNCTIONS / PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
General government	$ 2,640,174	$ 400,200	$ 286,889	$ -	$ (1,953,085)	$ -	$ (1,953,085)
Economic development	2,833,314	-	-	377,500	(2,455,814)	-	(2,455,814)
Interest and related costs	1,041,517	-	-	-	(1,041,517)	-	(1,041,517)
Total Governmental Activities	6,515,005	400,200	286,889	377,500	(5,450,416)	-	(5,450,416)
Business-Type Activities:							
Convention Center	4,791,279	1,732,204	-	660,990	-	(2,398,085)	(2,398,085)
Total Business-Type Activities	4,791,279	1,732,204	-	660,990	-	(2,398,085)	(2,398,085)
TOTAL	$ 11,306,284	$ 2,132,404	$ 286,889	$ 1,038,490	$ (5,450,416)	$ (2,398,085)	$ (7,848,501)
			Taxes:				
			Property taxes levied for general purposes		$ 5,463	$ -	$ 5,463
			Property taxes levied for debt service		1,811,238	-	1,811,238
			Property taxes levied for reimbursement agreements		2,926,723	-	2,926,723
			Sales tax increment		2,122,932	-	2,122,932
			Vendor's fee		2,237,636	-	2,237,636
			Interest earnings		51,665	77,686	129,351
			Transfers		(5,519,132)	5,519,132	-
			Total general revenues and transfers		3,636,525	5,596,818	9,233,343
			Change in net position		(1,813,891)	3,198,733	1,384,842
			NET POSITION, BEGINNING, as restated		(5,602,128)	8,236,705	2,634,577
			NET POSITION, ENDING		$ (7,416,019)	$ 11,435,438	$ 4,019,419

The accompanying notes are an integral part of these financial statements.

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)

Balance Sheet
Governmental Funds
December 31, 2019

		SPECIAL REVENUE FUNDS								
ASSETS	**GENERAL FUND**	**REGIONAL TOURISM**	**MEMORIAL HALL**	**EXPANDED DOWNTOWN DISTRICT**	**ST. CHARLES DISTRICT**	**LAKE MINNEQUA DISTRICT**	**NORTH PUEBLO DISTRICT**	**OTHER GOVERNMENTAL FUNDS**	**DEBT SERVICE FUND**	**TOTAL GOVERNMENTAL FUNDS**
Cash and cash equivalents	$ 484,492	$ -	$ -	$ 506,126	$ 4,173	$ 318,169	$ -	$ 22,999	$ -	$ 1,335,959
Restricted cash and cash equivalents	99,000	251,872	-	-	-	-	518,503	-	-	869,375
Restricted investments	5,500	-	1,531,579	381,617	-	271,489	-	-	-	2,190,185
Accounts and other receivables	20,590	168,757	401,608	81,260	-	-	-	-	-	672,215
Property taxes receivable	6,804	-	-	726,703	3,359,205	797,280	662,323	55,750	-	5,608,065
Notes receivable	22,357	-	-	-	-	-	-	-	-	22,357
Prepaid expenses	106,460	-	-	-	-	748	-	-	-	107,208
Advance to other funds	7,624	-	-	-	-	-	-	-	-	7,624
TOTAL ASSETS	$ 752,827	$ 420,629	$ 1,933,187	$ 1,695,706	$ 3,363,378	$ 1,387,686	$ 1,180,826	$ 78,749	$ -	$ 10,812,988
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES										
LIABILITIES										
Accounts payable	$ 55,767	$ 168,757	$ 5,000	$ -	$ -	$ 237	$ -	$ -	$ -	$ 229,761
Accrued liabilities	18,507	-	-	-	-	-	-	-	-	18,507
Advance from other funds	5,795	148,452	39,803	-	-	-	-	-	-	194,050
TOTAL LIABILITIES	80,069	317,209	44,803	-	-	237	-	-	-	442,318
DEFERRED INFLOWS OF RESOURCES										
Property taxes	6,804	-	-	726,703	3,359,205	797,280 #	662,323	55,750	-	5,608,065
TOTAL DEFERRED INFLOWS OF RESOURCES	6,804	-	-	726,703	3,359,205	797,280	662,323	55,750	-	5,608,065
FUND BALANCES										
Nonspendable	106,458	-	-	-	-	-	-	-	-	106,458
Restricted	176,043	103,420	1,888,384	969,003	4,173	590,169	518,503	22,999	-	4,272,694
Unassigned	383,453	-	-	-	-	-	-	-	-	383,453
TOTAL FUND BALANCES	665,954	103,420	1,888,384	969,003	4,173	590,169	518,503	22,999	-	4,762,605
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 752,827	$ 420,629	$ 1,933,187	$ 1,695,706	$ 3,363,378	$ 1,387,686	$ 1,180,826	$ 78,749	$ -	$ 10,812,988

The accompanying notes are an integral part of these financial statements.

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
For the Year Ended December 31, 2019

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance - governmental funds	$ 4,762,605
The deferred outflows below are not current assets or financial resources; and the deferred inflows are not due and payable in the current period and therefore are not reported in the governmental funds.	
Deferred amounts on refunding	193,244
Deferred outflows related to pension	162,544
Deferred outflows related to OPEB	6,214
Deferred inflows related to OPEB	(101)
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:	
Capital assets	12,650,896
Accumulated depreciation	(627,170)
Net capital assets	12,023,726
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet. Long-term liabilities at year-end consist of:	
Revenue bonds payable	(8,199,294)
Revenue improvement bonds payable	(9,520,000)
Premium on revenue improvement bonds payable	(188,613)
Bank notes payable	(2,571,638)
Due to primary government	(3,186,363)
Net pension liability	(645,451)
Net OPEB liability	(54,211)
Accrued interest payable	(144,471)
Compensated absences	(54,210)
Total long-term liabilities	(24,564,251)
Total net position - governmental activities	$ (7,416,019)

The accompanying notes are an integral part of these financial statements.

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Governmental Funds
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
December 31, 2019

		SPECIAL REVENUE FUNDS								
	GENERAL FUND	REGIONAL TOURISM	MEMORIAL HALL	EXPANDED DOWNTOWN DISTRICT	ST. CHARLES DISTRICT	LAKE MINNEQUA DISTRICT	NORTH PUEBLO DISTRICT	OTHER GOVERNMENTAL FUNDS	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:										
Property taxes	$ 5,463	$ -	$ -	$ 631,157	$ 2,880,770	$ 607,719	$ 571,931	$ 46,384	$ -	$ 4,743,424
Intergovernmental	145,004	2,122,932	-	365,573	-	-	-	-	-	2,633,509
Charges for services	175,885	-	-	-	-	-	-	-	-	175,885
Vendor fees	-	-	2,237,636	-	-	-	-	-	-	2,237,636
Interest	553	-	27,814	8,347	7,371	7,270	623	1	-	51,979
Contributions	377,500	-	-	-	-	-	-	-	-	377,500
Miscellaneous	298	-	-	56,617	15	-	-	-	-	56,930
TOTAL REVENUES	704,703	2,122,932	2,265,450	1,061,694	2,888,156	614,989	572,554	46,385	-	10,276,863
EXPENDITURES:										
Current:										
General government	865,147	1,597,448	-	28,083	-	758	-	-	-	2,491,436
Economic development	42,453	31,087	14,470	-	2,764,824	16,975	-	20,125	-	2,889,934
Debt Service:										
Principal	50,540	-	-	-	-	-	-	-	908,650	959,190
Interest	4,341	-	1,087	-	-	-	-	-	966,330	971,758
Capital outlay	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	962,481	1,628,535	15,557	28,083	2,764,824	17,733	-	20,125	1,874,980	7,312,318
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(257,778)	494,397	2,249,893	1,033,611	123,332	597,256	572,554	26,260	(1,874,980)	2,964,545
OTHER FINANCING SOURCES (USES)										
Loan proceeds	-	1,590,059	-	-	-	-	-	-	-	1,590,059
Transfers in	728,429	-	-	100,000	-	-	-	-	1,874,980	2,703,409
Transfers out	(505,828)	(3,595,947)	(2,071,986)	(973,814)	(120,846)	(551,143)	(382,942)	(20,036)	-	(8,222,542)
NET CHANGE IN FUND BALANCE	(35,177)	(1,511,491)	177,907	159,797	2,486	46,113	189,612	6,224	-	(964,529)
FUND BALANCES, BEGINNING, as restated	701,131	1,614,911	1,710,477	809,206	1,687	544,056	328,891	16,775	-	5,727,134
FUND BALANCES, ENDING	$ 665,954	$ 103,420	$ 1,888,384	$ 969,003	$ 4,173	$ 590,169	$ 518,503	$ 22,999	$ -	$ 4,762,605

The accompanying notes are an integral part of these financial statements.

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	$ (964,529)
Capital outlays are reported in the governmental funds as an expenditure; however, for governmental activities, these costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay.	
Depreciation expense	(235,296)
The governmental funds report the proceeds from the issuance of notes payable and other obligations as other financing sources and the repayments of principal on these notes and other obligations as expenditures. Interest expense is recognized as an expenditure in the governmental funds when it is due, while interest expense is recognized when incurred in the statement of activities. In addition, interest expense reported in the statement of activities includes amortization of bond issuance premiums and deferred amounts on refunding which are recognized in the governmental funds in the period incurred. The net effect of these differences in the treatment of notes payable and other liabilities is as follows:	
Amortization of interest-related costs	(32,265)
Amortization of bond premium	9,927
Interest expense on bonds, notes and balance due to primary government - change in accrual	(34,770)
Loan proceeds	(1,590,059)
Principal payments on debt obligations	946,621
Net amount	(700,546)
In the statement of activities, certain operating expenses are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount paid.	
Compensated absences paid ($57,387) was less than amounts earned ($70,007)	(12,620)
Pension expense paid ($51,374) was more than amount earned ($151,745)	100,371
OPEB expense paid ($4,133) was less than amount earned ($5,404)	(1,271)
Change in net position - governmental activities	$ (1,813,891)

The accompanying notes are an integral part of these financial statements.

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Proprietary Fund
Statement of Net Position
December 31, 2019

	Business-Type Activity Enterprise Fund Convention Center
ASSETS	
Current Assets:	
Cash and cash equivalents	$ 909,264
Restricted cash and cash equivalents	193,498
Accounts receivable	166,253
Inventories	25,460
Prepaid expenses	23,627
Restricted investments	2,655,604
Total Current Assets	3,973,706
Non-Current Assets:	
Capital assets:	
Land	326,094
Medal of honor	295,097
Buildings	39,544,998
Improvements	2,271,794
Furniture & fixtures	2,048,195
Accumulated depreciation	(7,179,603)
Total capital assets	37,306,575
Other assets:	
Advance to other funds	186,426
Total Non-Current Assets	37,493,001
TOTAL ASSETS	41,466,707
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	472,725
LIABILITIES	
Current Liabilities:	
Accounts payable	113,816
Accrued expenses	450,248
Accrued interest payable	200,427
Current portion of capital lease payable	30,181
Current portion of bonds payable	2,085,515
Total Current Liabilities	2,880,187
Non-Current Liabilities:	
Capital lease payable	250,578
Due to primary government	12,200,000
Bonds payable, net of unamortized premium and discount	15,173,229
Total Non-Current Liabilities	27,623,807
TOTAL LIABILITIES	30,503,994
NET POSITION	
Net investment in capital assets	8,233,295
Restricted for debt service	2,849,102
Unrestricted	353,041
TOTAL NET POSITION	$ 11,435,438

The accompanying notes are an integral part of these financial statements.

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado
Proprietary Fund
Statement of Revenues, Expenditures
and Changes in Fund Net Position
For the Year Ended December 31, 2019

	Business-Type Activity Enterprise Fund Convention Center
OPERATING REVENUES	
Charges for services	$ 1,732,204
TOTAL OPERATING REVENUES	1,732,204
OPERATING EXPENSES	
Contractual expenses	2,388,434
General administration	183,784
Depreciation	1,199,327
TOTAL OPERATING EXPENSES	3,771,545
OPERATING INCOME (LOSS)	(2,039,341)
NON-OPERATING REVENUES (EXPENSES)	
Interest income	77,686
Interest expense	(1,019,734)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(942,048)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(2,981,389)
Capital contributions	660,990
Transfers in	5,519,132
CHANGE IN NET POSITION	3,198,733
NET POSITION, BEGINNING OF YEAR as restated	8,236,705
NET POSITION, END OF YEAR	$ 11,435,438

The accompanying notes are an integral part of these financial statements.

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Proprietary Fund
Statement of Cash Flows
For the Year Ended December 31, 2019

	Business-Type Activity Enterprise Fund Convention Center
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 1,673,777
Cash paid for goods and services	(2,310,532)
NET CASH FROM OPERATING ACTIVITIES	(636,755)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	77,686
Sale of investments	3,715,461
NET CASH FROM INVESTING ACTIVITIES	3,793,147
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers in	1,029,240
Payments received on advances to other funds	20,467
NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES	1,049,707
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Intergovernmental funds received	660,990
Advances on primary government debt	2,651,271
Proceeds from capital lease	284,029
Capital-related transfers in	4,491,009
Decrease in capital-related advances from other funds	(732,083)
Increase in capital-related advances to other funds	(148,857)
Capital expenditures	(5,530,378)
Decrease in capital-related payables	(2,630,822)
Interest paid on capital-related debt	(916,762)
Principal paid on capital-related debt	(1,868,740)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(3,740,343)
NET CHANGE IN CASH AND CASH EQUIVALENTS	465,756
CASH AND CASH EQUIVALENTS	
Beginning of Year	637,006
End of Year	$ 1,102,762
CASH AND CASH EQUIVALENTS - reported as	
Cash and cash equivalents	$ 909,264
Restricted cash and cash equivalents	193,498
	$ 1,102,762
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES	
Operating income (loss)	$ (2,039,341)
Depreciation	1,199,327
Change in accounts receivable, net	(58,427)
Change in inventory	(8,895)
Change in prepaids	39,358
Change in accounts payable and accrued expenses	231,223
NET CASH FROM OPERATING ACTIVITIES	$ (636,755)

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The financial statements of Pueblo Urban Renewal Authority (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The significant accounting principles and policies utilized by the Authority are described below:

Reporting Entity
The Authority was created in 1959 under the provisions of Colorado law. The Authority was virtually inactive until 1986, at which time the City of Pueblo, Colorado (the primary government) and the Authority entered into a cooperation agreement whereby the Authority acquired certain properties from the City of Pueblo, Colorado (the City) in order to facilitate the building of a convention center on a portion of the property and sell the remaining portion to a developer for the purpose of building a hotel. Since that time, the Authority, with the approval of the City, has established numerous tax increment financing (TIF) districts. The Authority is financially accountable to the City inasmuch as the governing body of the Authority is appointed by City Council and the City has the ability to modify the decisions of the Authority's governing body. In accordance with generally accepted accounting principles, the Authority is a component unit of the City.

As required by GAAP, management has considered all potential component units in defining its reporting entity. Based on the criteria established by GAAP, the Authority has no component units.

Government-Wide and Fund Financial Statements
The basic financial statements include both government-wide (based on the Authority as a whole) and fund financial statements. The government-wide financial statements, which include the statement of net position and the statement of activities, report information on all the activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

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

1. Summary of Significant Accounting Policies (continued)

Separate fund financial statements are provided for the governmental funds and the proprietary fund. Major individual governmental funds and the major individual enterprise fund are reported in separate columns. The nonmajor funds are combined in a column in the fund financial statements and are detailed in the combining section of the report.

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

Measurement Focus and Basis of Accounting and Financial Statement Presentation
The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fund financial statements for the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenue to be available if collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred as is the case with accrual accounting. However, debt service expenditures are recorded only when the liability has matured and payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds, while issuance of long-term debt is reported as other financing sources.

Property taxes, interest, grants and charges for services are considered susceptible to accrual, while other revenues are recorded when received in cash because they are generally not measurable until received in cash.

Governmental activities, business-type activities and the proprietary fund are accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these activities are included on the statements of net position. The proprietary fund-type operating statement distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operation.

1. Summary of Significant Accounting Policies (continued)

The principal operating revenues of the Authority's convention center are charges to customers for sales and services. Operating expenses for the enterprise fund include cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Funds
The Authority reports the following major governmental funds:

- The general fund is the primary operating fund of the Authority and is always classified as a major fund. The general fund is used to account for all financial resources of the Authority except those resources, if any, that are required to be accounted for in a separate fund.

- The regional tourism fund is a special revenue fund created to fund a regional tourism plan to attract new, out-of-state visitors to downtown Pueblo. Funds are provided by the State of Colorado's RTA grant and expenditures consist of economic development, mainly in relation to the expansion of the Pueblo Convention Center.

- Memorial hall is a special revenue fund used to account for the collection of a vendor fee and improvements and upgrades to the City's Memorial Hall. The electorate of the City of Pueblo, Colorado approved the issuance of $10,000,000 of bonds to finance the project. Voter approval included the continuation of the collection of 3.3% of the City's sales and use tax revenues which will provide the on-going revenues to service the bonded debt. Expenditures include economic development and transfers.

- The expanded downtown district fund is a special revenue fund used to account for activities within this district's boundaries. Funds are provided by property taxes and intergovernmental revenues and expenditures include economic development and transfers.

- The St. Charles district fund is a special revenue fund used to account for an economic development agreement with a business entity. Funds are provided by property taxes and expenditures consist of economic development payments to the business and other entities.

- The Lake Minnequa district is a special revenue fund used to account for infrastructure improvements in an area in and around Lake Minnequa on behalf of the City. Funds are provided by property taxes and expenditures consist of economic development and transfers.

- The North Pueblo district fund is a special revenue fund used to account for the Authority's commitment to assist in the funding of the Dillon Flyover project. The primary revenue sources are from taxes and primary government funding, with expenditures being dedicated to the project.

- The debt service fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest on certain of the Authority's debt obligations. The primary revenue sources are transfers from other funds.

1. Summary of Significant Accounting Policies (continued)

- Other governmental funds are a summarization of all other governmental special revenue funds.

Proprietary Fund
The following is a description of the major proprietary fund of the Authority:

Pueblo Convention Center accounts for the operations of the Authority's convention center. Activities of the fund include operation and maintenance of the convention center. The convention center is managed by Global Spectrum LP under a management agreement with the Authority. All costs of the convention center are financed through charges to users, along with an allocation of the City's sales and use tax revenues collected through a transfer from the memorial hall fund and the regional tourism fund.

Other Fund Types
The Authority reports the following fund types:

Special revenue funds are used to account for specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The other special revenue funds besides the funds characterized as major are:

- Thunder Village District
- Fountain Creek District
- Lower Westside District

The previously reported special revenue funds (South Santa Fe district and Union Avenue district) have been included with the general fund because they no longer meet the criteria to be reported as special revenue funds under generally accepted accounting principles. South Santa Fe district had no fund balance or activity in 2019.

Cash and Cash Equivalents and Investments
Cash and cash equivalents, including restricted cash and cash equivalents, includes cash on hand and demand deposits. Restricted investments consist of money market funds held at bank trust departments that are classified as short-term money market investments that mature within one year of acquisition date and are reported at cost as allowed under generally accepted accounting principles.

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

Receivables
Receivables include amounts due from customers for services provided and are reported, if necessary, net of an allowance for uncollectible accounts. Receivables also include vendor's fees and property taxes assessed and collected within the Authority's boundaries along with other notes receivable issued in conjunction with an on-going program of the Authority.

1. Summary of Significant Accounting Policies (continued)

Inventories and Prepaid Items
Inventories consist principally of food and drink products that are valued at the lower of cost (first-in, first-out basis) or market. Prepaid items represent payments made for expenditures/expenses to be charged to a future accounting period.

Capital Assets
Capital assets, which include land, buildings, improvements, and furniture and fixtures, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. A capitalization level of $1,500 has been established and the criterion for capitalization also includes: (1) increasing the capacity or operating efficiency, or (2) extending the useful life of the asset. Capital assets are defined as assets with an estimated useful life of greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at estimated fair value at the time received. Normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets for business-type activities is included as part of the capitalized value of assets constructed when material. Construction-period interest recorded in proprietary funds is no longer capitalized beginning in 2018 due to the District's adoption of GASB statement No.89. The total construction-period interest charged to expense in 2019 was $192,771.

Capital assets of the Authority are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activities	Business-Type Activities
Buildings	40 years	7-50 years
Improvements	5-10 years	10-40 years
Furniture and fixtures	5-10 years	5-20 years

Long-Term Obligations
In the government-wide financial statements and the fund financial statements for the proprietary fund, long-term debt is reported as liabilities in the applicable statement of net position. Bond premiums and, when applicable, deferred amounts on refunding are amortized over the life of the obligation using the interest method and are reflected as a component of interest expense. Deferred amounts on refunding are reported as deferred outflows of resources in accordance with generally accepted accounting principles.

In the governmental fund financial statements, bond premiums and bond issue costs are recognized during the current period. The face amount of the debt issue, along with the related premium, is

1. Summary of Significant Accounting Policies (continued)

reported as other financing sources, while debt issue costs are reported as debt service expenditures.

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

- Nonspendable – includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash such as inventories, prepaid items and long-term notes receivable.

- 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 Authority's board of commissioners. Commitments may be modified or changed only by the Authority's board of commissioners approving a new resolution.

- Assigned – includes amounts intended to be used by the Authority for specific purposes that are neither restricted nor committed. Intent is expressed by the Authority's executive director to which the assigned amounts are to be used for specific purposes. Assigned amounts include appropriations of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget.

- Unassigned – this is the residual classification for the general fund and negative fund balances in other governmental 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, net position is classified in the following categories:

Net investment in capital assets – this classification consists of capital assets net of accumulated depreciation and reduced by outstanding related debt that is attributed to the acquisition, construction or improvement of capital assets.

Restricted net position – this classification consists of restrictions created by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation and constitutional provisions.

1. Summary of Significant Accounting Policies (continued)

Unrestricted net position – this classification represents the remainder of net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

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

Property Taxes
Property taxes are assessed on property located within the Authority's boundaries in accordance with Colorado law. The taxes are assessed, allocated and collected by the Pueblo County Treasurer. Taxes assessed in the current year are generally collected in the following year and thus, the property tax receivable is offset by deferred inflows of resources.

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

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.

New Accounting Pronouncements

The GASB issued statement No. 89 Accounting for Interest Cost Incurred before the End of a Construction Period to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The Authority has early adopted this statement effective for the period ending December 31, 2018.

2. Stewardship, Compliance and Accountability

The Authority adheres to the following procedures in establishing its budgets. Prior to November 1 of each year, the executive director submits to the board of 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 commissioners to obtain comments. The Authority adopts budgets for all funds and the budget for each fund generally is adopted using generally accepted accounting principles, based on the fund type. In addition, appropriations lapse at the end of the year.

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution. The board of commissioners may amend the original adopted budget during the year by passing a new resolution. The 2019 budget was amended for additional expenditures.

The legal level of budgetary control for all funds is at the total fund level, which means that total expenditures and other financing uses that exceed budgeted appropriations may be in violation of State statutes.

3. Cash, Cash Equivalents and Investments

Cash and cash equivalents and investments are summarized as follows:

Cash on hand	$ 6,005
Demand deposits	3,302,091
Total cash and cash equivalents	$ 3,308,096
Money market funds held at bank trust departments	$ 4,845,789
Total investments	$ 4,845,789

Reported in the financial statements as follows:

	Governmental Activities	Business-Type Activity	Total
Cash and cash equivalents	$ 1,335,959	$ 909,264	$ 2,245,223
Restricted cash and cash equivalents	350,872	-	350,872
Restricted cash and cash equivalents under debt obligations	518,503	193,498	712,001
	$ 2,205,334	$ 1,102,762	$ 3,308,096
Restricted investments under debt obligations	$ 2,190,185	$ 2,655,604	$ 4,845,789

3. Cash, Cash Equivalents and Investments (continued)

Deposits

As of December 31, 2019, the carrying amount of the Authority's deposits was $3,302,091 and the bank balance was $3,290,688. Of the bank balance, $500,000 was covered by federal depository insurance and $2,597,190 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 Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk. As of December 31, 2019, deposits with a bank balance of $2,597,190 are uninsured but are not exposed to custodial credit risk because they are collateralized with securities held by the pledging financial institution's agent in the Authority's name. An additional $193,498 was held in other custodial funds that are restricted for debt or capital purposes and not held by the Authority.

Investments

The Authority is subject to the provisions of Colorado Revised Statutes 24-75-601 which are 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, banker's acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds, guaranteed investment contracts and U.S. dollar-denominated corporate or bank debt. The statute also includes a provision limiting any investment to a five-year maturity unless the governing body authorizes a longer period.

As of December 31, 2019, the Authority had the following investments and maturities:

	Fair Value	Investment maturity less than one year
Money market funds	$ 4,845,789	$ 4,845,789

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

3. Cash, Cash Equivalents and Investments (continued)

Credit risk – State law limits investments in money market funds to funds that are registered as an investment company; the fund investment policies must seek to maintain a constant price and no sales or bond fee can be added to the purchase or redemption price. The Authority has no investment policy that would further limit its investment choices. As of December 31, 2019, the Authority's investment in money market funds is rated AAAm by Standard and Poor's.

Fair Value Measurement and Application – The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. All of the District's investments are measured at fair value using Level 1 inputs.

4. Receivables

Receivables held by Governmental Funds at December 31, 2019 consist of the following:

	Governmental Funds				
	General Fund	Regional Tourism	Memorial Hall	Expanded Downtown District	St Charles District
Accounts	$ 20,590	$ 168,757	$ -	$ 78,684	$ -
Notes	22,357	-	-	-	-
Vendors Fee	-	-	401,608	-	-
Property taxes	6,804	-	-	726,703	3,359,205
Interest	-	-	-	2,576	-
	$ 49,751	$ 168,757	$ 401,608	$ 807,963	$ 3,359,205

	Governmental Funds			
	Lake Minnequa District	North Pueblo	Other Governmental Funds	Total
Accounts	$ -	$ -	$ -	$ 268,031
Notes	-	-	-	22,357
Vendors Fee	-	-	-	401,608
Property taxes	797,280	662,323	55,750	5,608,065
Interest	-	-	-	2,576
	$ 797,280	$ 662,323	$ 55,750	$ 6,302,637

5. Advance to/from Other Funds and Transfers

The following table summarizes advances to/from other funds at December 31, 2019:

	Advances to Other Funds	Advances from Other Funds
Major governmental funds -		
Advance due General Fund	$ 7,624	$ -
Advance from Regional Tourism Fund	-	148,452
Advance from Memorial Hall Fund		39,803
Advance from General Fund	-	5,795
Major enterprise fund -		
Advance due General Fund	5,795	-
Advance due Regional Tourism Fund	140,828	-
Advance due Memorial Hall	39,803	-
	$ 194,050	$ 194,050

5. Advance to/from Other Funds and Transfers (continued)

Transfers for the year ended December 31, 2019 are as follows:

	Transfers in	Transfers out
Governmental funds -		
General Fund	$ 728,429	$ (505,828)
Regional Tourism	-	(3,595,947)
Expanded Downtown District	100,000	(973,814)
St. Charles District	-	(120,846)
Lake Minnequa District	-	(551,143)
Memorial Hall	-	(2,071,985)
Debt Service	1,874,980	-
North Pueblo District	-	(382,942)
Other governmental funds	-	(20,036)
Total governmental funds	$ 2,703,409	$ (8,222,541)
Enterprise fund -		
Pueblo Convention Center	5,519,132	-
Total enterprise fund	5,519,132	-
	$ 8,222,541	$ (8,222,541)

The transfers to the general fund from the major and nonmajor governmental funds were generally for administrative functions. The transfers to the debt service fund were for principal and interest on debt obligations. The transfers to the Pueblo Convention Center enterprise fund were for debt service, operations and maintenance expenses.

6. Due from/to Primary Government

The amounts due to the primary government (City of Pueblo, Colorado), are summarized as follows:

Due to City of Pueblo, Colorado for -	
Payments on Dillon Flyover Loan	$ 997,346
1601 Study	512,398
Gateway Plaza project note	1,676,619
Convention Center Expansion Loan	12,200,000
	$ 15,386,363

The obligation to the City of Pueblo, Colorado for the 1601 study is serviced by the debt service fund.

The activities associated with the amounts owing the City are as follows:

	Balance January 1, 2019 (as restated)	Additions	Payments/ Reductions	Balance December 31, 2019	Due Within One Year
Governmental activities:					
Dillon Loan payments	$ 954,584	$ 42,762	$ -	$ 997,346	$ -
1601 study	512,398	-	-	512,398	-
Gateway Plaza project note	86,560	1,590,059	-	1,676,619	-
Total governmental activities	$ 1,553,542	$ 1,632,821	$ -	$ 3,186,363	$ -

	Balance January 1, 2019 (as restated)	Additions	Payments/ Reductions	Balance December 31, 2019	Due Within One Year
Business-type activities:					
Convention Center expansion note	$ 9,548,730	$ 2,651,270	$ -	$ 12,200,000	$ -
Total business-type activities	$ 9,548,730	$ 2,651,270	$ -	$ 12,200,000	$ -

Convention Center Expansion Loan – City of Pueblo

The City of Pueblo issued two promissory notes on March 14, 2017.

The principal amount of the first note is $12,200,000 with a maturity date of December 31, 2027, with the right to extend the maturity date to December 31, 2037. Principal is due on or before the maturity date, together with interest on draws related to eligible costs until December 31, 2022, at the rate of 2% per annum; commencing January 1, 2023 until the maturity date at the rate of 3% per annum on the unpaid balance until paid. Accrued interest will be paid semi-annually on June 1 and December 1 or each year until maturity. Such monies are to be used by the Authority to finance the design, construction and improvement of an expansion to the Pueblo Convention Center Exhibition Hall and attached facility on the real property. As of December 31, 2019, $12,200,000 of eligible costs had been drawn from this loan and are reflected in the amount payable to the City of Pueblo.

6. Due from/to Primary Government (continued)

The principal amount of the second note is $2,200,000 with a maturity date of December 31, 2027, with the right to extend the maturity date to December 31, 2037. This note bears no interest. The entire principal balance shall be due and payable upon maturity. This note is for eligible costs related to the expansion to the Gateway Plaza project. In 2018 the Authority amended the Regional Tourism Act Project Cooperation Agreement with the City of Pueblo. This amendment states that the Authority will reimburse the City of Pueblo for Gateway Plaza design costs up to $258,954 if any remaining moneys from the $2.2 million loan are available after the project is complete. As of December 31, 2019, the City of Pueblo has incurred $258,871.

The Authority executed an additional promissory note for $112,800 with the City of Pueblo on March 5, 2019. However, this amount has not been recorded due to uncertainty about repayment.

7. Capital Assets

Capital assets for the year ended December 31, 2019 were as follows:

	Balance January 1, 2019 (as restated)	Additions	Conveyances or Retirements	Balance December 31, 2019
Governmental activities:				
Non-depreciable assets:				
Land	$ 918,435	$ -	$ -	$ 918,435
Construction in progress	-	-	-	-
Total non-depreciable assets	918,435	-	-	918,435
Depreciable assets:				
Buildings	11,740,468	-	-	11,740,468
Furniture and fixtures	36,764	-	(36,764)	-
Total depreciable assets	11,777,232	-	(36,764)	11,740,468
Less Accumulated depreciation for:				
Buildings	(400,369)	(234,808)	-	(635,177)
Furniture and fixtures	(36,276)	(488)	36,764	-
Total accumulated depreciation	(436,645)	(235,296)	36,764	(635,177)
Depreciable assets, net	11,340,587	(235,296)	-	11,105,291
Governmental activities assets, net	$ 12,259,022	$ (235,296)	$ -	$ 12,023,726
	Less outstanding capital debt			$ (6,122,228)
	Plus deferred amount on refunding			193,244
	Net investment in capital assets			$ 6,094,742

7. Capital Assets (continued)

	Balance January 1, 2019 (as restated)	Additions	Conveyances or Retirements	Balance December 31, 2019
Business-type activities:				
Non-depreciable assets:				
Land	$ 326,094	$ -	$ -	$ 326,094
Construction in progress	25,864,861	-	(25,864,861)	-
Medal of honor memorial	295,097	-	-	295,097
Total non-depreciable assets	26,486,052	-	(25,864,861)	621,191
Depreciable assets:				
Buildings	9,594,391	29,967,419	(16,812)	39,544,998
Improvements	1,610,094	661,700	-	2,271,794
Furniture and fixtures	1,535,292	766,122	(253,219)	2,048,195
Total depreciable assets	12,739,777	31,395,241	(270,031)	43,864,987
Less accumulated depreciation for:				
Buildings	(4,023,661)	(958,066)	16,812	(4,964,915)
Improvements	(1,019,959)	(115,008)	-	(1,134,967)
Furniture and fixtures	(1,206,687)	(126,253)	253,219	(1,079,721)
Total accumulated depreciation	(6,250,307)	(1,199,327)	270,031	(7,179,603)
Depreciable assets, net	6,489,470	30,195,914	-	36,685,384
Business-type activities assets, net	$ 32,975,522	$30,195,914	$ (25,864,861)	$ 37,306,575
	Less outstanding capital debt			$ (29,462,260)
	Plus net of unamortized discounts and premiums			(83,745)
	Plus deferred amount on refunding			472,725
	Net investment in capital assets			$ 8,233,295

Depreciation expense was charged to functions/programs as follows:

Governmental activities –	
General government	$ 235,296
Total depreciation expense – governmental activities	$ 235,296
Business-type activities –	
Pueblo Convention Center	$ 1,199,327
Total depreciation expense – business-type activities	$ 1,199,327

8. Long-Term Liabilities

Following is a summary of changes in long-term liabilities in the government-wide financial statements for the year ended December 31, 2019:

	Balance January 1, 2019 (as restated)	Additions	Payments/ Reductions	Balance December 31, 2019	Due Within One Year
Governmental activities:					
Improvement revenue bonds, Series 2011B	$ 9,615,000	$ -	$ (95,000)	$ 9,520,000	$ 110,000
Unamortized premium	198,540	-	(9,927)	188,613	9,927
	9,813,540	-	(104,927)	9,708,613	119,927
Revenue refunding bonds, Series 2017	6,492,800	-	(466,100)	6,026,700	487,100
	6,492,800	-	(466,100)	6,026,700	487,100
Revenue refunding bonds, Series 2018	2,298,693	-	(126,099)	2,172,594	131,080
	2,298,693	-	(126,099)	2,172,594	131,080
Bank note - Office Condo	133,499	-	(37,971)	95,528	43,057
Bank note - Dillon Flyover	2,697,561	-	(221,451)	2,476,110	230,199
Accrued interest payable	152,462	962,671	(970,662)	144,471	144,471
Compensated absences	41,590	70,007	(57,387)	54,210	54,210
Net pension liability	562,700	134,125	(51,374)	645,451	-
Net OPEB liability	50,980	7,364	(4,133)	54,211	-
Total governmental activities	$ 22,243,825	$ 1,174,167	$ (2,040,104)	$ 21,377,888	$ 1,210,044

	Balance January 1, 2019 (as restated)	Additions	Payments/ Reductions	Balance December 31, 2019	Due Within One Year
Business-type activities:					
Tax-exempt refunding revenue bonds, Series 2011B	$ 3,360,000	$ -	$ (285,000)	$ 3,075,000	$ 290,000
Unamortized premium	225,020	-	(22,502)	202,518	22,502
	3,585,020	-	(307,502)	3,277,518	312,502
Sales tax increment bonds, Series 2017	15,680,000	-	(1,580,000)	14,100,000	1,780,000
Unamortized discount	(125,760)	-	6,987	(118,773)	(6,987)
	15,554,240	-	(1,573,013)	13,981,227	1,773,013
Obligation under capital leases	-	284,498	(3,740)	280,758	30,181
Total business-type activities	$ 19,139,260	$ 284,498	$ (1,884,255)	$ 17,539,503	$ 2,115,696

8. Long-Term Liabilities (continued)

All of the above governmental activity obligations, with the exception of the bank note with an outstanding balance of $95,528 at December 31, 2019 and the compensated absences liability, are serviced by the debt service fund. The bank note and the compensated absences liability are serviced by the general fund.

Line of Credit

The Authority has available a $100,000 revocable line of credit with US Bank, NA. The interest rate is the current prime rate, which was 5.0% at June 31, 2019. As of December 31, 2019, no borrowings were outstanding under this line of credit agreement. This line of credit does not have a expiration date.

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

Revenue Bonds

Improvement Revenue Bonds, Series 2011B $10,000,000, series 2011B improvement revenue bonds; interest rate ranges from 2.5% to 5.5%; due in annual installments including interest ranging from $528,263 to $1,068,688 through December 2038;	$ 9,520,000
Revenue Refunding Bonds, Series 2017 $7,363,000, series 2017 revenue refunding bonds; interest rate 3.95%; due in annual installments including interest ranging from $722,953 to $762,148 through September 2029;	6,026,700
Revenue Refunding Bonds, Series 2018 $2,420,000, series 2018 revenue refunding bonds; interest rate 3.95%; due in annual installments including interest ranging from $202,824 to $216,897 through December 2032;	2,172,594
	17,719,294

Notes Payable

Bank Note - Office Condo $256,000, bank note; refinanced February 6, 2017 in the amount of $206,188; interest rate of 2 points over the 5-year LIBOR/swap rate; index currently is 2.004%; due in monthly installments including interest of $3,846 through January 2022;	95,528
Bank Note - Dillon Flyover $4,000,000, series 2013 revenue loan; interest rate 3.95%; due in annual installments including interest of $327,942 through December 2029;	2,476,110
	2,571,638

8. Long-Term Liabilities (continued)

Other Obligations

Compensated absences	54,210
Net pension liability	645,451
Net OPEB liability	54,211
	753,872
Total Governmental Activities	$ 21,044,804

The debt service requirements for the governmental activities revenue bonds and notes payable are as follows:

Year Ending	Governmental Activities			
	Revenue Bonds		Notes Payable	
December 31,	Principal	Interest	Principal	Interest
2020	$ 728,180	$ 832,102	$ 273,256	$ 100,837
2021	761,357	801,256	284,159	89,934
2022	795,740	769,695	256,348	79,223
2023	820,334	736,411	258,569	69,373
2024	857,150	702,637	268,782	59,160
2025-2029	5,664,052	2,925,349	1,230,524	127,904
2030-2034	4,332,481	1,648,363	-	-
2035-2039	3,760,000	505,818	-	-
	$ 17,719,294	$ 8,921,631	$ 2,571,638	$ 526,431

The $10,000,000 series 2011B improvement revenue bonds were issued by the Authority for the purpose of providing funds for the remodeling and restoring of the historic Memorial Hall which is within the expanded downtown district. The series 2011B improvement revenue bonds are special limited obligations of the Authority. Interest and principal are payable from the proceeds of the pledged revenue which consists of 3.3% of the City of Pueblo's sales and use tax collections. On a monthly basis, the Authority remits 3.3% of its sales and use tax collections to the trustee for debt service on the series 2011B refunding and improvement bonds. A portion of these monthly collections is allocated by the trustee for operations and maintenance and debt service of the Authority's convention center. The revenue recognized from these transactions totaled $2,237,636 for the year ended December 31, 2019 and is reported in the caption "vendor's fee" in the accompanying financial statements.

The $7,363,000 series 2017 revenue refunding bonds were issued by the Authority to advance refund $7,193,000 of outstanding series 2006 revenue bonds, which were issued to be used in the expanded urban renewal project area, specifically to assist in the financing and construction of a parking garage.

The $2,420,000 series 2018 revenue refunding bonds were issued by the Authority to advance refund $2,420,000 of outstanding series 2011 revenue bonds, which were issued to provide funds

8. Long-Term Liabilities (continued)

for the construction of certain infrastructure and other improvements in the Lake Minnequa district. Interest and principal on this note are payable from the pledged incremental property taxes generated within the Lake Minnequa district.

The $256,000 bank note was for purchase of office space. The note is secured by real estate with a carrying value of $333,056 at December 31, 2019.

The $4,000,000 multi-draw term bank note was issued to provide assistance for the construction of the Dillon flyover infrastructure project together with other improvements in the North Pueblo district. Interest and principal on this note are payable from the pledged incremental property taxes generated within the North Pueblo district. In connection with this note, the Authority entered into an agreement with the City of Pueblo, which allows for the City, at its discretion, to fund any shortfalls in the Authority's ability to make debt service payments from pledged incremental property taxes. The agreement provides that if the North Pueblo district eventually provides the Authority with a surplus of incremental property taxes, the Authority will repay the shortfall payments made by the City, along with 5% of simple interest. During 2019, the City did not pay any debt service shortfall and $42,762 in accrued interest was recognized.

The following is a description of the individual issues for the business-type activity:

Revenue Bonds

Tax-Exempt Refunding Revenue Bonds, Series 2011B	
$3,890,000, series 2011B tax-exempt refunding revenue bonds; interest rate ranges from 2.5% to 5.5%; due in annual installments including interest ranging from $200,700 to $465,125 through December 2038;	$ 3,075,000
State Sales Tax Increment Revenue Bonds, Series 2017	
$17,030,000, series 2017 sales tax increment revenue bonds; interest rate ranges from 2.25% to 5.0%; due in annual installments including interest ranging from $396,575 to $3,741,250 through June 2036;	14,100,000
	17,175,000

Obligation under Capital Leases

$91,000 of obligation under capital lease; interest rate of 4.25%; due in monthly installments including interest of $1,257 through August 2026;	87,260
$193,498 of obligation under capital lease; interest rate of 4.54%; due in monthly installments including interest of $2,714 through February 2027;	193,498
	280,758
Total Business-Type Activities	$ 17,455,758

8. Long-Term Liabilities (continued)

The debt service requirements for the business-type activity bonds and capital leases are as follows:

	Business-type Activity			
Year Ending	Revenue Bonds		Capital Leases	
December 31,	Principal	Interest	Principal	Interest
2020	$ 2,070,000	$ 700,537	$ 30,181	$ 12,040
2021	2,445,000	629,462	37,199	10,449
2022	2,630,000	544,656	38,895	8,753
2023	370,000	48,973	40,669	6,980
2024	445,000	469,318	42,523	5,126
2025-2029	2,640,000	1,936,098	91,291	4,404
2030-2034	2,115,000	1,414,251	-	-
2035-2039	4,460,000	294,000	-	-
	$ 17,175,000	$ 6,037,295	$ 280,758	$ 47,752

The $3,890,000 series 2011B tax-exempt refunding revenue bonds were issued by the Authority to advance refund $2,420,000 of outstanding series 2011 revenue bonds, which were issued to provide funds for the construction of certain infrastructure and other improvements in the Lake Minnequa district. Interest and principal on this note are payable from the pledged incremental property taxes generated within the Lake Minnequa district.

The $17,030,000 series 2017 sales tax increment revenue bonds were issued by the Authority for the purpose of providing funds for the design, construction, equipping and improvement of Phase 1, and component parts of Phases 2 and 3 of the RTA Project consisting of the expansion of the Pueblo Convention Center. Interest and principal on this note are payable from the pledged incremental property taxes generated within the Lake Minnequa district. As mentioned below in Note 15, the Authority, in conjunction with the Colorado Economic Development Commission (the "Commission"), approved a resolution dedicating specified sales tax increment revenue for approved regional tourism projects. This agreement specifies a percentage of sales tax increment revenue will be dedicated to the Project in the amount of 24.7% of state sales tax revenue collected within the Regional Tourism Zone in excess of the Base Year Revenue (calculated as state sales tax revenue collected by the State from taxable transactions occurring within the Regional Tourism Zone during the twelve-month period from May 1, 2011 and ending on April 30, 2012) until April 30, 2022. Thereafter 3.3% of state sales tax revenue collected within the Regional Tourism Zone in excess of the Base Year Revenue will be dedicated to the Project until the earlier of either the date on which $35.7 million in state sales tax increment revenue has been paid or payment in full has been made on the bonds associated with financing the project, provided no single bond shall have a maturity date of 30 years. There is an option, with written notification to the Commission to extend the financing term to a date not to exceed 50 years. The funds received for the states sales tax increment revenue are being used to pay debt service on the State Sales Tax Increment Revenue Bonds.

9. Net Position

Restricted net position represents net position whose uses are subject to constraints that are either (1) legally imposed by creditors (such as debt covenants), grantors, or laws on regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislations. Restricted net position for governmental and business-type activities is summarized as follows:

Debt service and district projects	$ 7,121,796

10. Fund Balances

As previously reported, the Union Avenue district fund no longer meets the criteria to be classified as special revenue funds and, therefore, the activities of these two funds have been included with the general fund in accordance with generally accepted accounting principles as follows:

	General Fund	Union Avenue District	Combined General Fund
Fund balance, January 1, 2019	$ 699,210	$ 1,921	$ 701,131
Revenues and other financing sources:			
Property taxes	-	5,463	5,463
Intergovernmental	145,004	-	145,004
Charges for services	175,885	-	175,885
Interest	553	-	553
Contributions	377,500	-	377,500
Other	298	-	298
Transfers in	728,429	-	728,429
Total revenues and other financing sources	1,427,669	5,463	1,433,132
Expenditures and other financing uses:			
General government	865,147	-	865,147
Economic development	42,453	-	42,453
Principal	50,540	-	50,540
Interest	4,341	-	4,341
Capital outlay	-	-	-
Transfer out	505,828	-	505,828
Total expenditures and other financing uses	1,468,309	-	1,468,309
Fund balance, December 31, 2019	$ 658,570	$ 7,384	$ 665,954

11. Risk Management

The Authority is exposed to various risks of loss related to torts, property and casualty, errors and omissions, injuries to employees and health claims. All of these risks of loss are covered by commercial insurance. Settled claims from the commercial policies have not exceeded insurance coverage in any of the past three years.

12. Prior Period Adjustment

Certain prior period transactions have been adjusted for more accurate presentation, and subsequently identified errors have been corrected. The table below illustrates these differences to effectively correct errors and restate prior year balances to conform to current year presentation:

Changes per fund in the Governmental Funds:	**RTA Fund**	**Memorial Hall Fund**	**Downtown Expanded**
Fund balances as previously reported at December 31, 2018	$ 7,066,235	$ 1,475,614	$ 757,498
Correction of transactions recorded incorrectly			
Understatement of vendor receivable	-	172,279	-
Understatement of investments	-	-	51,708
Change in recognition of sales tax increment revenue	(1,573,264)	-	-
Change in presentation of construction-related activity			
2017 Series construction activity moved to Enterprise Fund:			
Related payables	2,594,395	-	-
Related investments	(6,371,064)	-	-
Related accrued interest	67,641	-	-
Due to/Due from Other Funds	(169,032)	62,584	-
Fund balances as restated at December 31, 2018	$ 1,614,911	$ 1,710,477	$ 809,206

12. Prior Period Adjustment (continued)

Changes in Governmental and Business-Type Activities:	**Governmental**	**Business-Type**
Net Position as previously reported at December 31, 2018	$ (25,249,992)	$ 30,078,890
Correction of transactions recorded incorrectly		
Understatement of vendor receivable	172,279	-
Understatement of investments	51,708	-
Understatement of beginning accrued interest	(26,760)	-
Overstatement of construction in progress		(818,284)
Change in recognition of sales tax increment revenue	(1,573,264)	-
Change in presentation of construction-related activity		
2017 Series construction activity moved to Enterprise Fund:		
Increment bond debt	15,602,973	(15,602,973)
Due to primary government	9,616,370	(9,616,370)
Bond-related investments	(6,371,065)	6,371,065
Construction-related payables	2,594,395	(2,594,395)
Construction in Progress moved from governmental activities	(379,965)	379,965
Due to/Due from Other Funds	(106,448)	106,448
Related accrued interest	67,641	(67,641)
Net Position as restated, December 31, 2018	$ (5,602,128)	$ 8,236,705

13. Retirement Plan

Plan Description and Benefit Provisions

Eligible employees of the Authority are provided with pensions through the Local Government Division Trust Fund (LGDTF), a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67 and is administered by the Public Employees' Retirement Association of Colorado (PERA). Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty* Years. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, were in effect at the end of 2018.

The LGDTF serves as a defined benefit retirement plan where retirees receive a monthly benefit for their lifetime, and generally, an annual increase each year, as eligible. All employees of the Authority are members of LGDTF. Members are eligible to receive a lifetime monthly retirement benefit when certain age and service credit requirements are met. These eligibilities vary by the membership date and consider credited service at key dates. The benefits are based upon a defined or fixed multiplier, age, years of credited service, and highest average salary (HAS). For most employees, HAS, as of December 31, 2018, is one-twelfth of the average of the highest annual salaries that are associated with three period of 12 consecutive months under PERA-covered employment. The basic retirement benefit equals *2.5% x HAS x Years of Service.* If a member reaches early retirement eligibility and wishes to begin benefit payments prior to achieving the full retirement requirements, then the monthly amount is reduced to consider the early receipt of monthly payments. Alternatively, if greater, a lifetime benefit is available that is calculated by annuitizing the member's account. At benefit commencement, the member can choose from different payment options, some of which can continue after the retiree's death to a named beneficiary, and for which the benefit amount is appropriately adjusted.

In addition to retirement benefits, the LGDTF provides refund opportunities with matching employer dollars, if eligible, when leaving covered employment, and disability retirement and survivor benefits for those meeting certain criteria.

13. Retirement Plan (continued)

Contributions Provisions as of December 31, 2018

The Authority is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Employer contribution requirements, as a percentage of salary, are summarized on the table below:

	Rate
Employer contribution rate	10.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount apportioned to the LGDTF	8.98%
Amortization equalization disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%
Total employer contribution rate to the LGDTF	12.68%

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions to the LGDTF. For the year ended December 31, 2019, the Authority's employer contributions to the LGDTF were $51,374, and total covered payroll was $405,156.

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

At December 31, 2019, the Authority reported a liability of $645,541 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, using standard roll-forward techniques to determine the liability as of December 31, 2018. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2018, the Authority's proportion was approximately 0.051 percent, which was an increase of .007 percent from its proportion measured as of December 31, 2017.

13. Retirement Plan (continued)

For the year ended December 31, 2019, the Authority recognized a reduction in pension expense of $55,936, due to changes in deferred inflows, deferred outflows and other factors. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	$ 26,988	$ -
Differences between projected and actual investment earnings	77,111	-
Changes in proportionate share	6,516	-
Difference between contributions recognized and proportionate share of contributions	555	-
Authority contributions subsequent to the measurement date	51,374	-
Total	$ 162,544	$ -

The $51,374 of deferred outflows of resources resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending December 31,	
2020	$ 47,592
2021	$ 13,010
2022	$ 4,684
2023	$ 45,884

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% – 10.45%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	0% through 2019 and 1.5% compounded annually thereafter
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

13. Retirement Plan (continued)

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016 Board meeting.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80 percent, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected rate of return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outline in presentations to PERA's Board on October 28, 2016.

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

13. Retirement Plan (continued)

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
US Equity – Large Cap	21.20%	4.30%
US Equity – Small Cap	7.42%	4.80%
Non-US Equity – Developed	18.55%	5.20%
Non-US Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non-U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2017 and the financial status of the LGDTF as of the prior measurement date (December 31, 2017). In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

13. Retirement Plan (continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate of determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent as of the measurement date, as well as if it were calculated using a discount rate that is 1-percentage point lower (6.25 percent) or 1-percentage point higher (8.25 percent):

	Discount rate	Authority's proportionate share of net pension liability
1% decrease	6.25%	$ 987,536
Current discount rate	7.25%	$ 645,451
1% increase	8.25%	$ 359,418

13. Retirement Plan (continued)

Subsequent Events

During the 2019 legislative session, the Colorado General Assembly passed HB 19-1217: *PERA Public Employees' Retirement Association Local Government Division Member Contribution* Rate. The bill was signed into law by Governor Polis on May 20, 2019, and eliminates the 2 percent increase in the contribution rate for members in the Local Government Division mandated by SB 18-200.

14. Post-Employment Benefits

OPEB Plan Description and Benefit Provisions

The Authority participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 74 and is administered by the Public Employees' Retirement Association of Colorado (PERA). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

14. Post-Employment Benefits (continued)

Eligibility to enroll in PERACare is voluntary and includes, among others, benefit recipients and their eligible dependents, as well as certain surviving spouses, divorced spouses and guardians. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure
The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

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

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

14. Post-Employment Benefits (continued)

Contributions
Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Authority were $4,133 for the year ended December 31, 2019.

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

At December 31, 2019 the Authority reported a liability of $54,211 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018.

The Authority proportion of the net OPEB liability was based on the Authority's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF. At December 31, 2018, the Authority proportion was 0.004 percent.

For the year ended December 31, 2019, the Authority recognized OPEB expense of $4,843. At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 197	$ 86
Net difference between projected and actual earnings on OPEB plan investments	312	-
Changes in assumptions	380	-
Changes in proportionate share	1,192	-
Differences between contributions recognized and proportionate share of contributions	-	15
Contributions subsequent to the measurement date	4,133	N/A
Total	$6,214	$101

14. Post-Employment Benefits (continued)

$4,133 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31, 2019	
2020	$525
2021	$525
2022	$525
2023	$179
2024	$219
2025	$7

Actuarial assumptions. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.25 percent for 2018, gradually rising to 5.00 percent in 2025
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

14. Post-Employment Benefits (continued)

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80 percent, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

14. Post-Employment Benefits (continued)

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80 percent, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

14. Post-Employment Benefits (continued)

As of the November 18, 2016 adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non-U.S. Equity – Developed	18.55%	5.20%
Non-U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non-U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	**100.00%**	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	$52,415	$54,211	$55,616

14. Post-Employment Benefits (continued)

Discount rate

The discount rate used to measure the total OPEB liability was 7.25 percent. The basis for the projection liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2017 and the financial status of the HCTF as of the prior measurement date (December 31, 2017). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the month.

Based on the above assumptions and methods, the HCTF's net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$60,314	$54,211	$48,424

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

15. Commitments and Contingencies

The Authority entered into an agreement with Thunder Village Metropolitan District (the District) which provides that the Authority will reimburse the District for the costs of certain public improvements. As of December 31, 2019, the District has submitted approximately $6,584,222 of reimbursement requests to the Authority. The Authority's obligation, however, is limited to the amount of actual tax increment revenues generated within the project taxing area until 2032.

The Authority has also entered into a reimbursement agreement with Vestas Towers America, Inc. in conjunction with the creation of the St. Charles district urban renewal project area. This agreement provides that the Authority will reimburse Vestas Towers America, Inc. for its costs incurred for certain public improvements. The Authority is obligated to reimburse Vestas Towers America, Inc. up to $12,500,000 plus 4.5% interest per annum subject to the collection of the related tax increment revenues. This agreement also provides that the Authority will pay 50% of the personal property taxes assessed for a period of 10 years beginning in 2012. In conjunction with the reimbursement agreement described above, the Authority also approved a cooperation agreement with the Authority whereby the Authority will pay to Vestas Towers America, Inc. an amount equal to the Authority's proportion of the total mill levy. In addition, the Authority committed to pay $6,826,000 to the County of Pueblo and the Board of Water Works of Pueblo after Vestas Towers America, Inc. which has been paid in full.
In 2019, the Authority reimbursed Vestas $733,964 in county personal property tax credits $948,224 in Pueblo County Reimbursement, and $632,149 in Board of Water Works Reimbursement. At December 31, 2019, the principal amount payable to Vestas was paid in full. Pueblo County reimbursement balance was $2,321,839, and the Board of Water Works reimbursement balance was $2,243,487.

In 2012, the Authority, in conjunction with the Colorado Economic Development Commission, approved a resolution dedicating specified sales tax increment revenue for approved regional tourism projects (See Note 8). As required by the resolution and agreement, the Authority has established a special fund to receive these funds. For the year ended December 31, 2019, the Authority recognized sales tax increment revenues of $2,122,932.

Colorado voters passed an amendment to the state constitution in November, 1992 which contains several limitations, including revenue raising, spending abilities and other specific requirements affecting state and local governments. The amendment, commonly known as the Tabor Amendment, is complex and subject to judicial interpretation; however, the Authority believes it is in compliance with the requirements of the amendment. The Authority believes it is exempt from the provisions of the amendment because it is not a taxing body, nor does it have the power to hold elections.

16. Subsequent Events

The Authority has evaluated its December 31, 2019 financial statements for subsequent events through the date the financial statements were issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact operations of the Authority, including receipt of property tax revenues and cancellation of events at the Convention Center. While this situation is expected to be temporary, the related financial impact and duration cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS		ACTUAL BUDGET BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental	$ -	$ 163,810	$ 145,004	$ (18,806)
Contributions	20,000	196,500	377,500	181,000
Charges for services	183,784	183,784	175,885	(7,899)
Interest	100	215	553	338
Other	10,916	7,416	298	(7,118)
TOTAL REVENUES	214,800	551,725	699,240	147,515
EXPENDITURES				
Current:				
General government	780,533	850,656	865,151	(14,495)
Economic development	13,500	60,890	42,453	18,437
Debt service	54,885	52,263	54,881	(2,618)
Capital outlay	-	101,000	-	101,000
TOTAL EXPENDITURES	848,918	1,064,809	962,485	102,324
OTHER FINANCING SOURCES AND USES				
Transfers in	708,617	720,314	728,429	8,115
Transfers out	(74,499)	(626,431)	(505,828)	120,603
Transfers in fund balance	-	419,201	-	(419,201)
TOTAL OTHER FINANCING SOURCES AND USES	634,118	513,084	222,601	(290,483)
NET CHANGE IN FUND BALANCE	$ -	$ -	(40,644)	$ (40,644)
FUND BALANCES, BEGINNING OF YEAR			699,395	
FUND BALANCES, END OF YEAR			$ 658,751	
GAAP ADJUSTMENTS				
Consolidation of the Union Avenue District Fund			7,203	
FUND BALANCE - GAAP BASIS			$ 665,954	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Reconciliation of the Budgetary Basis of Accounting
to GAAP Basis of Accounting
General Fund
For the Year Ended December 31, 2019

Budgetary Basis

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

REVENUES AND OTHER FINANCING SOURCES	
Actual amounts (budgetary basis) of revenues and other financing sources from the budgetary comparison schedule	$ 1,427,669
Differences - budget to GAAP	
Revenues and other financing sources from the Union Avenue District fund which is consolidated with the general fund for GAAP reporting purposes	5,463
GAAP basis revenues and other financing sources	$ 1,433,132
EXPENDITURES AND OTHER FINANCING USES	
Actual amounts (budgetary basis) of expenditures and other financing uses from the budgetary comparison schedule	$ 1,468,313
Differences - budget to GAAP	
Expenditures and other financing uses from the Union Avenue District fund which is consolidated with the general fund for GAAP reporting purposes	-
GAAP basis expenditures and other financing uses	$ 1,468,313

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Union Avenue District (Included in General Fund)
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Property Tax Increment	$ 5,910	$ 5,888	$ 5,463	$ (425)
TOTAL REVENUES	5,910	5,888	5,463	(425)
EXPENDITURES				
Capital outlay	5,910	5,888	-	5,888
TOTAL EXPENDITURES	5,910	5,888	-	5,888
NET CHANGE IN FUND BALANCE	$ -	$ -	5,463	$ 5,463
FUND BALANCE, BEGINNING OF YEAR			1,740	
FUND BALANCE, END OF YEAR			$ 7,203	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Regional Tourism Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS		ACTUAL BUDGET BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Sales tax increment	$ 2,439,828	$ 2,122,932	$ 2,122,932	$ -
Interest	-	51,380	-	(51,380)
Intergovernmental	859,786	848,135	-	(848,135)
TOTAL REVENUES	3,299,614	3,022,447	2,122,932	(899,515)
EXPENDITURES				
Current:				
General government	-	-	1,597,448	(1,597,448)
Economic development	-	-	31,087	(31,087)
Capital outlay	6,758,810	10,559,816	-	10,559,816
TOTAL EXPENDITURES	6,758,810	10,559,816	1,628,535	8,931,281
OTHER FINANCING SOURCES AND USES				
Transfers out	(2,508,812)	(2,508,812)	(3,595,947)	(1,087,135)
Transfers in	-	-	-	-
Loan proceeds	4,620,000	8,517,824	1,590,059	(6,927,765)
Transfer in fund balance	1,348,008	1,528,357	-	(1,528,357)
TOTAL OTHER FINANCING SOURCES AND USES	3,459,196	7,537,369	(2,005,888)	(9,543,257)
NET CHANGE IN FUND BALANCE	$ -	$ -	(1,511,491)	$ (1,511,491)
FUND BALANCE, BEGINNING OF YEAR as restated			1,614,911	
FUND BALANCE, END OF YEAR			$ 103,420	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Memorial Hall
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Vendors fees	$ 2,109,395	$ 2,109,395	$ 2,237,636	$ 128,241
Interest	-	-	27,814	27,814
TOTAL REVENUES	2,109,395	2,109,395	2,265,450	156,055
EXPENDITURES				
Current:				
Economic development	1,024,445	1,024,445	14,470	1,009,975
Capital outlay	132,735	132,735	-	132,735
Debt service	-	-	1,087	(1,087)
TOTAL EXPENDITURES	1,157,180	1,157,180	15,557	1,141,623
OTHER FINANCING SOURCES AND USES				
Transfers out	(1,084,008)	(1,084,008)	(2,071,986)	(987,978)
Transfer in fund balance	131,793	131,793	-	(131,793)
SOURCES AND USES	(952,215)	(952,215)	(2,071,986)	(1,119,771)
NET CHANGE IN FUND BALANCE	$ -	$ -	177,907	$ 177,907
FUND BALANCE, BEGINNING OF YEAR			1,710,477	
FUND BALANCE, END OF YEAR			$ 1,888,384	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Expanded Downtown District
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS		ACTUAL BUDGET BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property taxes	$ 641,850	$ 634,377	$ 631,157	$ (3,220)
Intergovernmental	290,451	286,889	365,573	78,684
Interest	-	7,040	8,347	1,307
Miscellaneous	-	-	56,617	56,617
TOTAL REVENUES	932,301	928,306	1,061,694	133,388
EXPENDITURES				
Current:				
General government	18,000	44,324	28,083	16,241
Economic development	-	-	-	-
Capital outlay	111,151	244,535	-	244,535
Debt service	726,128	726,128	-	726,128
TOTAL EXPENDITURES	855,279	1,014,987	28,083	986,904
FINANCING SOURCES AND USES				
Transfers in	-	-	100,000	100,000
Transfers out	(77,022)	(86,125)	(973,814)	(887,689)
Transfer in fund balance	-	172,806	-	(172,806)
TOTAL FINANCING SOURCES AND USES	(77,022)	86,681	(873,814)	(960,495)
NET CHANGE IN FUND BALANCE	$ -	$ -	159,797	$ 159,797
FUND BALANCE, BEGINNING OF YEAR			809,206	
FUND BALANCE, END OF YEAR			$ 969,003	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
St. Charles District
Schedule of Revenues, Expenditures
And Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS		ACTUAL BUDGET BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Property taxes	$ 3,011,176	$ 2,880,770	$ 2,880,770	$ -
Interest	-	7,386	7,371	(15)
Miscellaneous	-	-	15	15
TOTAL REVENUES	3,011,176	2,888,156	2,888,156	-
EXPENDITURES				
Current:				
Economic development	2,890,330	2,764,819	2,764,824	(5)
Debt service	-	-	-	-
Capital outlay	-	2,491	-	2,491
TOTAL EXPENDITURES	2,890,330	2,767,310	2,764,824	2,486
OTHER FINANCING SOURCES AND USES				
Transfers out	(120,846)	(120,846)	(120,846)	-
TOTAL OTHER FINANCING SOURCES AND USES	(120,846)	(120,846)	(120,846)	-
NET CHANGE IN FUND BALANCE	$ -	$ -	2,486	$ 2,486
FUND BALANCE, BEGINNING OF YEAR			1,687	
FUND BALANCE, END OF YEAR			$ 4,173	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Lake Minnequa District
Schedule of Revenues, Expenditures
And Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS		ACTUAL BUDGET BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property taxes	$ 622,069	$ 614,549	$ 607,719	$ (6,830)
Interest and Other	-	4,265	7,270	3,005
TOTAL REVENUES	622,069	618,814	614,989	(3,825)
EXPENDITURES				
Current:				
General government	-	-	758	(758)
Economic development	18,000	18,750	16,975	1,775
Debt service	-	-	-	-
Capital outlay	45,034	45,157	-	45,157
TOTAL EXPENDITURES	63,034	63,907	17,733	46,174
OTHER FINANCING SOURCES AND USES				
Transfers out	(559,035)	(554,907)	(551,143)	3,764
TOTAL OTHER FINANCING SOURCES AND USES	(559,035)	(554,907)	(551,143)	3,764
NET CHANGE IN FUND BALANCE	$ -	$ -	46,113	$ 46,113
FUND BALANCE, BEGINNING OF YEAR			544,056	
FUND BALANCE, END OF YEAR			$ 590,169	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
North Pueblo District
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS		ACTUAL BUDGET BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property taxes	$ 564,879	$ 580,388	$ 571,931	$ (8,457)
Interest	-	627	623	(4)
TOTAL REVENUES	564,879	581,015	572,554	(8,461)
EXPENDITURES				
Current:				
Economic development	181,937	-	-	-
Capital outlay	-	198,073	-	198,073
TOTAL EXPENDITURES	181,937	198,073	-	198,073
TOTAL FINANCING SOURCES AND USES				
Transfers out	(382,942)	(382,942)	(382,942)	-
TOTAL FINANCING SOURCES AND USES	(382,942)	(382,942)	(382,942)	-
NET CHANGE IN FUND BALANCE	$ -	$ -	189,612	$ 189,612
FUND BALANCE, BEGINNING OF YEAR			328,891	
FUND BALANCE, END OF YEAR			$ 518,503	

Budgetary Information

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

Prior to November 1 of each year, the executive director submits to the board of 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 commissioners to obtain comments. The Authority adopts budgets for all funds and each fund uses the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budgets. In addition, appropriations lapse at the end of the year.

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution. The board of commissioners may amend the original adopted budget during the year by passing a new resolution to reflect current needs. The 2019 budget was amended for additional expenditures.

The legal level of budgetary control for all funds is at the total fund level which means that total expenditures and other financing uses cannot legally exceed total appropriations for that fund.

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Retirement Plan Supplementary Information
For the Year Ended December 31, 2019

Schedule of Proportionate Share of the Net Pension and OPEB Liability and Related Ratios

Colorado PERA - Pension

Year Ending*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Member Payroll	as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2015	0.038%	$ 546,620	$ 221,290	247.02%	80.72%
12/31/2016	0.038%	$ 429,236	$ 239,406	179.29%	76.90%
12/31/2017	0.039%	$ 533,355	$ 308,342	172.98%	73.65%
12/31/2018	0.051%	$ 562,700	$ 336,780	167.08%	79.37%
12/31/2019	0.051%	$ 645,451	$ 405,156	159.31%	75.96%

Colorado PERA - OPEB

Year Ending*	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Actual Member Payroll	as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total OPEB Liability
12/31/2018	0.004%	$ 50,980	$ 336,780	15.14%	17.50%
12/31/2019	0.004%	$ 54,211	$ 405,156	13.38%	17.03%

** The data provided in this schedule is based as of the measurement date of the Authority's net pension liability, which is as of the beginning of the year.*

Schedules of Employer Contributions

Colorado PERA - Pension

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Member Payroll	Contributions as a Percentage of Covered Payroll
12/31/2010	15,237	16,957	1,720	123,775	13.7%
12/31/2011	14,692	22,414	7,722	163,604	13.7%
12/31/2012	17,975	25,154	7,179	183,607	13.7%
12/31/2013	21,077	27,200	6,123	198,464	13.7%
12/31/2014	24,534	28,533	3,999	208,269	13.7%
12/31/2015	24,199	30,459	6,260	221,290	13.8%
12/31/2016	30,357	32,799	2,442	239,406	13.7%
12/31/2017	39,098	41,806	2,708	308,342	13.6%
12/31/2018	42,704	42,704	-	336,780	12.7%
12/31/2019	51,374	51,374	-	405,156	12.7%

Colorado PERA - OPEB

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Member Payroll	Contributions as a Percentage of Covered Payroll
12/31/2018	3,435	3,435	-	336,780	1.02%
12/31/2019	4,133	4,133	-	405,156	1.02%

Note: These schedules are intended to show information for ten years. As applicable, additional years will be displayed as they become available.

OTHER SUPPLEMENTARY INFORMATION

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Combining Balance Sheet
Other Governmental Funds
December 31, 2019

	SPECIAL REVENUE FUNDS			
	THUNDER VILLAGE DISTRICT	FOUNTAIN CREEK DISTRICT	LOWER WESTSIDE DISTRICT	TOTALS
ASSETS				
Cash and cash equivalents	$ 32	$ 6,095	$ 16,872	$ 22,999
Property taxes receivable	48,719	570	6,461	55,750
TOTAL ASSETS	48,751	6,665	23,333	78,749
LIABILITIES, DEFFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	-	-	-	-
Advance from other funds	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Property taxes	48,719	570	6,461	55,750
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	48,719	570	6,461	55,750
FUND BALANCES				
Restricted	32	6,095	16,872	22,999
TOTAL FUND BALANCES	32	6,095	16,872	22,999
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 48,751	$ 6,665	$ 23,333	$ 78,749

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Other Governmental Funds
Combining Statement of Revenues, Expenditures
And Changes in Fund Balance
For the Year Ended December 31, 2019

	SPECIAL REVENUE FUNDS			
	THUNDER VILLAGE DISTRICT	FOUNTAIN CREEK DISTRICT	LOWER WESTSIDE DISTRICT	TOTALS
REVENUES				
Property taxes	$ 40,072	$ 431	$ 5,881	$ 46,384
Interest	1	-	-	1
TOTAL REVENUES	40,073	431	5,881	46,385
EXPENDITURES				
Current:				
Economic development	20,125	-	-	20,125
TOTAL EXPENDITURES	20,125	-	-	20,125
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19,948	431	5,881	26,260
OTHER FINANCING SOURCES (USES)				
Transfers out	(20,036)	-	-	(20,036)
TOTAL OTHER FINANCING SOURCES (USES)	(20,036)	-	-	(20,036)
NET CHANGE IN FUND BALANCE	(88)	431	5,881	6,224
FUND BALANCE, BEGINNING OF YEAR	120	5,664	10,991	16,775
FUND BALANCE, END OF YEAR	$ 32	$ 6,095	$ 16,872	$ 22,999

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Thunder Village District
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS FINAL	ACTUAL BUDGET BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Property taxes	$ 40,682	$ 40,072	$ (610)
Interest	1	1	-
Miscellaneous	15	-	(15)
TOTAL REVENUES	40,698	40,073	(625)
EXPENDITURES			
Current:			
Economic development	20,341	20,125	216
TOTAL EXPENDITURES	20,341	20,125	216
FINANCING SOURCES AND USES			
Transfers out	(20,341)	(20,036)	305
TOTAL FINANCING SOURCES AND USES	(20,341)	(20,036)	305
NET CHANGE IN FUND BALANCE	$ 16	(88)	$ (104)
FUND BALANCE, BEGINNING OF YEAR		120	
FUND BALANCE, END OF YEAR		$ 32	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Fountain Creek District
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS FINAL	ACTUAL BUDGET BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Property taxes	$ 447	$ 431	$ (16)
Interest	-	-	-
Other	-	-	-
Prior year carryover	-	-	-
TOTAL REVENUES	447	431	(16)
EXPENDITURES			
Current:			
Capital outlay	447	-	447
TOTAL EXPENDITURES	447	-	447
FINANCING SOURCES AND USES			
Transfers out	-	-	-
TOTAL FINANCING SOURCES AND USES	-	-	-
NET CHANGE IN FUND BALANCE	$ -	431	$ 431
FUND BALANCE, BEGINNING OF YEAR		5,664	
FUND BALANCE, END OF YEAR		$ 6,095	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Lower West Side
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS FINAL	ACTUAL BUDGET BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Property taxes	$ 5,921	$ 5,881	$ (40)
TOTAL REVENUES	5,921	5,881	(40)
EXPENDITURES			
Current:			
Economic development	-	-	-
Capital outlay	5,921	-	5,921
TOTAL EXPENDITURES	5,921	-	5,921
NET CHANGE IN FUND BALANCE	$ -	5,881	$ 5,881
FUND BALANCE, BEGINNING OF YEAR		10,991	
FUND BALANCE, END OF YEAR		$ 16,872	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Debt Service Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS FINAL	ACTUAL BUDGET BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Revenues	$ -	$ -	$ -
TOTAL REVENUES	-	-	-
EXPENDITURES			
Debt service:			
Principal	3,729,124	908,650	2,820,474
Interest	1,060,026	966,330	93,696
TOTAL EXPENDITURES	4,789,150	1,874,980	2,914,170
OTHER FINANCING SOURCES AND USES			
Transfers in	4,789,150	1,874,980	(2,914,170)
TOTAL OTHER FINANCING SOURCES AND USES	4,789,150	1,874,980	(2,914,170)
NET CHANGE IN FUND BALANCE	$ -	-	$ -
FUND BALANCE, BEGINNING OF YEAR		-	
FUND BALANCE, END OF YEAR		$ -	

PUEBLO URBAN RENEWAL AUTHORITY

(a component unit of the City of Pueblo, Colorado)
Pueblo Convention Center Enterprise Fund
Schedule of Revenues, Expenditures
And Changes in Net Position—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS FINAL	ACTUAL BUDGET BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Charges for services	$ 1,732,204	$ 1,732,204	$ -
Investment earnings	77,686	77,686	-
Other	-	-	-
TOTAL REVENUES	1,809,890	1,809,890	-
EXPENDITURES			
Current:			
Contractual expenditures	2,388,434	2,388,434	-
General administration	183,784	183,784	-
Debt service	2,888,474	2,888,474	-
Capital outlay	5,530,378	5,530,378	-
TOTAL EXPENDITURES	10,991,070	10,991,070	-
OTHER FINANCING SOURCES AND USES			
Transfers in	5,519,132	5,519,132	-
Advances from primary government	2,651,271	2,651,271	-
Proceeds from capital lease	284,029	284,029	-
Capital contributions	660,990	660,990	-
TOTAL OTHER FINANCING SOURCES AND USES	9,115,422	9,115,422	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	$ (65,758)	$ (65,758)	-
ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS			
Capital outlay		5,530,378	
Depreciation expense		(1,199,327)	
Advances from primary government		(2,651,271)	
Proceeds from capital lease		(284,029)	
Principal payment on debt		1,868,740	
CHANGE IN NET POSITION - GAAP BASIS		$ 3,198,733	

Haynie & Company
Certified Public Accountants
& Management Consultants

1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120
303-734-4800
303-795-3356
www.HaynieCPAs.com

INDEPENDENT AUDITOR'S 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*

To the Board of Commissioners
Pueblo Urban Renewal Authority
Pueblo, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pueblo Urban Renewal Authority (the Authority), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 12, 2020.

Internal Control over Financial Reporting

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

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

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

deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

Compliance and Other Matters

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

Purpose of this Report

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

Haynie & Company

Littleton, Colorado
May 12, 2020

PUEBLO URBAN RENEWAL AUTHORITY
(A COMPONENT UNIT OF THE CITY OF PUEBLO, COLORADO)
Schedule of Findings and Questioned Costs
DECEMBER 31, 2019

1. Summary of Auditor's Results

Type of report issued on the financial statements:	**Unmodified**
Material weaknesses in financial reporting internal control noted:	**None**
Significant deficiency(s) identified that are not considered to be material weaknesses in financial reporting:	**None**
Material noncompliance noted:	**None**

2. Summary Schedule of Prior Audit Findings

Finding No. 2018-01

Statement of Condition: More than any year in the past, there were a significant number of transactions that had to be identified as either Governmental Activities or Business-Type Activities. The identification as to the correct type of Activity was not clearly understood, resulting in accounts that were not fully reconciled and several year-end closing entries that were not properly recorded. These errors were not identified and corrected during the internal review process

Recommendation: Financial statement close procedures, including account reconciliations, should be performed, and reviewed on a timely basis.

Current Status: The Authority continued to make improvements to the financial statement close and review process. The Authority contracted with an accountant familiar with governmental accounting to assist in the year-end reconciliation process and therefore a thorough review was performed of transactions, reconciliations were performed, and year-end closing entries were properly reconciled.