



503 N. Main St., Suite 740

Pueblo, CO 81003-3131

Phone (719) 543-0516

Fax (719) 544-2849

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Pueblo Conservancy District
Pueblo, Colorado

Management is responsible for the accompanying balance sheets - general fund only of Pueblo Conservancy District (the District) as of October 31, 2017 and December 31, 2016, and the related statements of revenues and expenditures – general fund for the one-month and ten months ended October 31, 2017 and the year ended December 31, 2016, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

On an on-going basis, management records accounts payable and related expenditures using the cash basis of accounting. Accounting principles generally accepted in the United States of America requires that accounts payable and related expenditures be recorded using the modified accrual basis of accounting. Management has not determined the amounts by which this departure would affect the balance sheet of the general fund and the related statement of revenues and expenditures of the general fund.

Required Supplementary Information

Management has omitted the management's discussion and analysis and the budgetary comparison schedule for the general fund that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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.

Supplementary Information

The supplementary information (current year budget amounts reported in the statement of revenues and expenditures of the general fund) is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

McPherson, Freyfogel, Davison & Goodrich, PC

November 14, 2017

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
OCTOBER 31, 2017 AND DECEMBER 31, 2016

	<u>10/31/2017</u>	<u>12/31/2016</u>
ASSETS		
VECTRA BANK CHECKING	\$ 6,943	\$ 48,676
VECTRA BANK MONEY MARKET	11,929	11,925
BROKERAGE MONEY MARKET ACCOUNTS	103,888	330,542
BANK OF THE SAN JUANS TRUST ACCT	-	916
BANK OF THE SAN JUANS RESERVE ACCT	850,382	427,529
BANK OF THE SAN JUANS RESERVE OPER	-	-
COLOTRUST INVESTMENT	25,550	25,322
STIFEL NICOLAUS INVESTMENT	170,119	215,379
MORGAN STANLEY MUTUAL FUNDS	-	734,092
MORGAN STANLEY INVESTMENT	953,317	-
ACCRUED INTEREST & OTHER RECEIVABLES	-	1,817
MAINTENANCE ASSESSMENTS RECEIVABLE	-	<u>1,158,000</u>
TOTAL ASSETS	<u>\$ 2,122,128</u>	<u>\$ 2,954,198</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
ACCOUNTS PAYABLE - (BANK OVERDRAFT AT 10/31/2017)	\$ 343,633	\$ 320,279
MAINTENANCE FUND REFUND PAYABLE	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>343,633</u>	<u>320,279</u>
DEFERRED INFLOWS OF RESOURCES		
MAINTENANCE ASSESSMENTS	<u>-</u>	<u>1,158,000</u>
ASSIGNED FUND BALANCE	-	-
UNASSIGNED FUND BALANCE	<u>1,778,495</u>	<u>1,475,919</u>
TOTAL FUND BALANCE	<u>1,778,495</u>	<u>1,475,919</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 2,122,128</u>	<u>\$ 2,954,198</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
 COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
 ACTUAL AND BUDGET - GENERAL FUND
 FOR THE ONE MONTH AND TEN MONTHS ENDED OCTOBER 31, 2017
 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2016

	ACTUAL		2017 BUDGET	UNUSED BUDGET	2016 ACTUAL
	CURRENT MONTH	YEAR TO DATE			
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 27	\$ 228	\$ -	\$ -	\$ 163
MONEY MARKET ACCOUNTS	7	56	-	-	35
ABC BANK	-	-	-	-	9
BANK OF THE SAN JUANS	7	68	-	-	64
STIFEL NICOLAUS	601	6,185	-	-	10,293
MORGAN STANLEY	742	9,576	-	-	15,280
UNREALIZED GAINS (LOSSES)	(521)	(12,869)	-	-	(18,213)
TOTAL INTEREST INCOME	863	3,244	21,000	17,756	7,631
MAINTENANCE FUND ASSESSMENT	6,786	1,169,392	1,158,000	(11,392)	1,111,817
CITY OF PUEBLO MAINT. FUND IGA	-	-	-	-	-
MAINTENANCE FUND REFUND	-	-	-	-	-
LOAN PROCEEDS	-	2,657,611	3,202,135	-	4,748,677
OTHER INCOME	-	6,677	-	(6,677)	60,000
TOTAL REVENUES	\$ 7,649	\$ 3,836,924	\$ 4,381,135	\$ 544,211	\$ 5,928,125
EXPENDITURES					
80 LEGAL FEES	\$ 2,775	\$ 39,692	\$ 24,000	\$ (15,692)	\$ 10,503
81 DIRECTORS FEES	2,000	17,200	21,600	4,400	21,600
83 ENGINEER/ADMINISTRATIVE	2,600	18,825	20,400	1,575	22,570
90A BOOKKEEPING & AUDIT PREP	425	12,020	10,500	(1,520)	14,420
90B AUDIT	-	5,590	6,000	410	6,067
92 INSURANCE/BONDS	-	2,527	3,500	973	768
96 OFFICE EXPENSE	17	484	1,000	516	388
97 OFFICE RENT/STORAGE	-	1,050	1,050	-	1,050
100 PROFESSIONAL FEES	-	30,555	12,500	(18,055)	15,791
APPRAISAL	-	-	-	-	-
103 TRAVEL	-	877	3,000	2,123	1,640
105 REPAIRS & MAINTENANCE	350	4,706	8,500	3,794	3,410
105A MAINTENANCE FUND ASSESSMENT PROGRAMMING & MAINTENANCE	18	28,605	3,000	(25,605)	16,225
108 CONTINGENCIES	-	-	20,000	20,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	-
110 CAPITAL IMPROVEMENTS	-	15,000	5,000	(10,000)	340,934
PLANNING & DEVELOPMENT	-	-	10,000	10,000	-
110A CONTRACT ADMIN & OVERSIGHT	-	6,035	20,000	13,965	11,237
110B ARKANSAS RIVER PHASE 3 LEVEE DESIGN	-	145,178	-	(145,178)	66,966
110C ARKANSAS RIVER PHASE 2&3 STAKING AS-BUILTS, CO	-	-	-	-	4,818
110D ARKANSAS RIVER PHASE 2 CONSTRUCTION	-	(85,089)	-	85,089	1,713,039
110E ARKANSAS RIVER PHASE 3 CONSTRUCTION	-	3,022,348	2,800,000	(222,348)	1,631,409
110F ARKANSAS RIVER LEVEE CERTIFICATION DESIGN &/OR CONSTRUCTION	-	-	-	-	-
110G WILDHORSE/DRY CREEK LEVEE CONSTRUC:	-	116,187	-	(116,187)	1,111,753
110H WILDHORSE/DRY CREEK STAKING, AS-BUILTS, CO	-	18,885	45,000	26,115	142,866
110J WILDHORSE/DRY CREEK DES & CONSTR	-	2,225	50,000	-	-
110K ARKANSAS RIVER PHASE 4 LEVEE DESIGN	17,135	37,116	250,000	212,884	-
110L ARKANSAS RIVER PHASE 4 CONSTRUCTION	-	-	-	-	-
112A HARP - O & M	-	10,000	10,000	-	10,000
112B HARP IGA CONTRIBUTION	-	50,000	50,000	-	50,000
113 CONSTRUCTION LOAN PAYMENT	-	-	700,000	700,000	700,000
TOTAL EXPENDITURES	29,710	3,534,349	4,090,050	555,701	5,897,454
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (22,061)	\$ 302,575	\$ 291,085	\$ (11,490)	\$ 30,671

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT

OCTOBER 2017 - NOVEMBER 2017

DEPOSITS - VECTRA BANK		
VENDOR	ITEM	AMOUNT
Stifel Nicolaus	Interest Payment	\$ 594.15
		\$ 594.15

DEPOSITS - BANK OF THE SAN JUANS RESERVE ACCOUNT		
Pueblo County	Maintenance Fund Assessment	\$ 16,032.28
		\$ 16,032.28

DEBITS - VECTRA CASH CHECKING ACCOUNT				
VENDOR	ITEM	AMOUNT	CHECK	CODE

DEBITS - BANK OF THE SAN JUANS - OPERATIONS & MAINTENACE ACCOUNT				
VENDOR	ITEM	AMOUNT	CHECK	CODE
BHE	Electrical Billing	Pre-paid		105
MBDG, PC	Bookkeeping	\$ 425.00	1012	90
Don Banner - B&B, PC	Attorney Fees	\$ 500.00	1013	80
	Web Site Updating	\$ 50.00	"	96
Kidd Engineering	Engineer/Admin Fees	\$ 1,700.00	1014	83
Director Bernard	Director Fees	\$ 200.00	1015	81
Director Cordova	Director Fees	\$ 200.00	1016	81
Director Koehler	Director Fees	\$ 200.00	1017	81
Director Maroney	Director Fees	\$ 200.00	1018	81
	Mileage - Fountain Creek Committees, XXXX@\$0.54			103
Director Martin	Director Fees	\$ 200.00	1019	81
Director O'Hara	Director Fees	\$ 200.00	1020	81
	Painter for painting over grafitti	\$ 350.00	"	105
Director Phillips	Director Fees	\$ 200.00	1021	81
Director Serna	Director Fees	\$ 200.00	1022	81
Director Willumstad	Director Fees	\$ 200.00	1023	81
	Mileage - CWCB Meeting in Walden, 496@\$0.54. Meals \$18.64	\$ 286.48	"	103
Spaccamonti Excavating	Weed Mowing	\$ 1,320.00	1024	105
The Pueblo Chieftain	Budget Advertisement	\$ 267.36	1025	96
	SUB-TOTAL OPERATING EXPENSES -- FUNDS TO BE TRANSFERRED FROM THE RESERVE ACCOUNT	\$ 6,698.84		

DEBITS - BANK OF THE SAN JUANS - CONSTRUCTION DRAW ACCOUNT				
Kidd Engineering	ARKANSAS RIVER LEVEE:			
	Grant and loan meetings, documents, conference calls, etc. October 17-November	\$ 750.00		110B
	CWCB Tour Van Rentals	\$ 315.88		110B
	Phase 4 Construction Contract Documents, Pre-Construction Meeting, etc.	\$ 375.00		110B
	Kidd Engineering Subtotal	\$ 1,440.88	1118	
NorthStar Engineering	ARKANSAS RIVER LEVEE:			
	Task G.2Phase 4 Final Design, Construction Documents, Bidding			110B
	Tasks G.3, G.4 and G.5 Construction Staking, Construction Observations, and Construction Testing	\$ 9,810.00		110B
	Task H - Prepare Bidding and Construction Documents for HARP Diversion Structure	\$ 4,415.00		110B
	Reimbursable copies, etc.	\$ 716.00		110B
	WILDHORSE CREEK LEVEE:			
	Task D - Construction Support Services			110H
	Reimbursable copies, etc.			110H
	Maintenance Fund Assessment Support - Appraisal Phase III Services, Property Acquisitions, Artwork and Recreational Opportunities, CWCB Grant and Loan Application Support	\$ 4,785.00		105A
	Reimbursable copies, etc.	\$ 44.00		105A
	NorthStar Subtotal	\$ 19,770.00	1119	
	SUB-TOTAL OF CONSTRUCTION COSTS -- FUNDS TO BE TRANSFERRED FROM THE LOAN FUNDING	\$ 21,210.88		

DEBITS - BANK OF THE SAN JUANS RESERVE ACCOUNT				
Pueblo Conservancy District				
		\$ -		

PUEBLO CONSERVANCY DISTRICT
2018 BUDGET
APPROVED NOVEMBER 15, 2017

	2018 BUDGET
REVENUES	
Interest	\$ 21,000
Unrealized Gains	
Maintenance Fund Assessment	\$ 1,700,000
City of Pueblo Maintenance Fund IGA	\$ -
Construction Loan	\$ 3,775,345
Other Income	\$ -
Total Revenues	\$ 5,496,345
EXPENDITURES	
Legal Fees	\$ 30,000
Directors Fees	\$ 21,600
Engineer/Administrative	\$ 20,400
Bookkeeping & Audit Preparation	\$ 10,100
Audit	\$ 6,000
Insurance/Bonds	\$ 3,500
Office Expense	\$ 1,000
Office Rent/Storage	\$ 1,050
Professional Fees	\$ 20,000
Document Preservation	\$ 10,000
Travel	\$ 3,000
Repairs & Maintenance	\$ 8,500
Maintenance Fund Assessment Programming & Maintenance	\$ 5,000
Contract Administration and Oversight	\$ 20,000
Arkansas River Phase 4 Construction	\$ 3,550,000
Arkansas River Phase 4 Staking, As-Builts, CO	\$ 161,845
Contingencies	\$ 20,000
Emergency Repairs	\$ 15,000
Capital Improvements	\$ 5,000
Planning & Development	\$ 10,000
HARP -- IGA Contribution	\$ 50,000
HARP -- O&M	\$ 10,000
Construction Loan Payment	\$ 1,400,000
Total Expenditures	\$ 5,381,995
Excess of Revenues Over (Under) Expenditures	\$ 114,350
Beginning Reserve Fund Balance	\$ 1,569,298
Ending Reserve Fund Balance	\$ 1,683,648

**PUEBLO CONSERVANCY DISTRICT
2018 BUDGET
FOR APPROVAL ON NOVEMBER 15, 2017**

	2017 BUDGET	ACTUAL THRU 8/31/2017	2017 PROJECTED	2018 BUDGET
REVENUES				
Interest	\$ 21,000	\$ 13,307	\$ 21,000	\$ 21,000
Unrealized Gains		\$ (11,862)		
Maintenance Fund Assessment	\$ 1,158,000	\$ 1,152,372	\$ 1,158,000	\$ 1,700,000
City of Pueblo Maintenance Fund IGA	\$ -		\$ -	\$ -
Construction Loan	\$ 3,202,135	\$ 2,657,611	\$ 3,202,135	\$ 3,775,345
Other Income	\$ -		\$ -	\$ -
Total Revenues	\$ 4,381,135	\$ 3,811,428	\$ 4,381,135	\$ 5,496,345
EXPENDITURES				
Legal Fees	\$ 24,000	\$ 29,809	\$ 48,000	\$ 30,000
Directors Fees	\$ 21,600	\$ 13,557	\$ 21,600	\$ 21,600
Engineer/Administrative	\$ 20,400	\$ 14,525	\$ 20,400	\$ 20,400
Bookkeeping & Audit Preparation	\$ 10,500	\$ 2,975	\$ 15,000	\$ 10,100
Audit	\$ 6,000		\$ 6,000	\$ 6,000
Insurance/Bonds	\$ 3,500	\$ 2,527	\$ 2,527	\$ 3,500
Office Expense	\$ 1,000	\$ 448	\$ 500	\$ 1,000
Office Rent/Storage	\$ 1,050	\$ 1,050	\$ 1,050	\$ 1,050
Professional Fees	\$ 12,500	\$ 30,555	\$ 32,000	\$ 20,000
Document Preservation				\$ 10,000
Travel	\$ 3,000	\$ 420	\$ 2,000	\$ 3,000
Repairs & Maintenance	\$ 8,500	\$ 3,738	\$ 6,000	\$ 8,500
Maintenance Fund Assessment Programming & Maintenance	\$ 3,000	\$ 28,227	\$ 35,000	\$ 5,000
Contract Administration and Oversight	\$ 20,000	\$ 6,035	\$ 13,000	\$ 20,000
Arkansas River Phase 2 Construction		\$ (85,089)	\$ (85,809)	
Wildhorse/Drycreek Phase 2 Design & Construction		\$ 2,225	\$ 2,225	
Wildhorse/Drycreek Phase 2 Construction		\$ 116,187	\$ 116,187	
Wildhorse/Drycreek Phase 2 Staking, As-Builts, CO	\$ 45,000	\$ 18,885	\$ 18,885	
Arkansas River Phase 3 Levee Design		\$ 145,178	\$ 145,178	
Arkansas River Phase 3 Staking, As-Builts, CO	\$ 80,000			xxx
Arkansas River Phase 3 Construction	\$ 2,800,000	\$ 3,022,306	\$ 3,500,000	xxx
Arkansas River Phase 4 Levee Design	\$ 50,000	\$ 30,203	\$ 63,050	xxx
Arkansas River Phase 4 Construction	\$ 250,000		\$ 250,000	\$ 3,550,000
Arkansas River Phase 4 Staking, As-Builts, CO				\$ 161,845
Contingencies	\$ 20,000		\$ -	\$ 20,000
Emergency Repairs	\$ 15,000		\$ -	\$ 15,000
Capital Improvements	\$ 5,000	\$ 15,000	\$ 15,000	\$ 5,000
Planning & Development	\$ 10,000		\$ 15,000	\$ 10,000
HARP -- IGA Contribution	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
HARP -- O&M	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Construction Loan Payment	\$ 700,000		\$ 700,000	\$ 1,400,000
Total Expenditures	\$ 4,170,050	\$ 3,458,761	\$ 5,002,793	\$ 5,381,995
Excess of Revenues Over (Under) Expenditures	\$ 211,085	\$ 352,667	\$ (621,658)	\$ 114,350
Beginning Reserve Fund Balance	\$ 1,358,213		\$ 1,429,865	\$ 1,569,298
Ending Reserve Fund Balance	\$ 1,569,298		\$ 808,207	\$ 1,683,648