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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 May 31, 2018 and December 31, 2017, and the related statements of revenues and expenditures – general fund for the five months ended May 31, 2018 and the year ended December 31, 2017, 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.

W. Peterson, Breynogh, Daneline & Goodrich, PC

June 25, 2018

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
MAY 31, 2018 AND DECEMBER 31, 2017

	<u>5/31/2018</u>	<u>12/31/2017</u>
ASSETS		
VECTRA BANK CHECKING	\$ 12,050	\$ 8,090
VECTRA BANK MONEY MARKET	11,933	11,931
BROKERAGE MONEY MARKET ACCOUNTS	6	9
BANK OF THE SAN JUANS DRAW	24,976	-
BANK OF THE SAN JUANS RESERVE ACCT	1,206,597	204,346
BANK OF THE SAN JUANS RESERVE OPER	-	-
COLOTRUST INVESTMENT	25,672	25,607
STIFEL NICOLAUS MONEY MARKET	-	-
STIFEL NICOLAUS INVESTMENT	258,687	261,013
MORGAN STANLEY MUTUAL FUNDS	972,578	966,885
MORGAN STANLEY INVESTMENT	-	-
ACCRUED INTEREST & OTHER RECEIVABLES	-	-
MAINTENANCE ASSESSMENTS RECEIVABLE	<u>668,654</u>	<u>1,700,000</u>
 TOTAL ASSETS	 <u>\$ 3,181,153</u>	 <u>\$ 3,177,881</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
ACCOUNTS PAYABLE	\$ -	\$ 324,618
BANK OVERDRAFT AT 5/31/2018	500	343,833
	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>500</u>	 <u>668,451</u>
 DEFERRED INFLOWS OF RESOURCES		
MAINTENANCE ASSESSMENTS	<u>668,654</u>	<u>1,700,000</u>
 ASSIGNED FUND BALANCE	 -	 -
UNASSIGNED FUND BALANCE	<u>2,511,999</u>	<u>809,430</u>
 TOTAL FUND BALANCE	 <u>2,511,999</u>	 <u>809,430</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 3,181,153</u>	 <u>\$ 3,177,881</u>

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PUEBLO CONSERVANCY DISTRICT
 COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
 ACTUAL AND BUDGET - GENERAL FUND
 FOR THE FIVE MONTHS ENDED MAY 31, 2018
 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2017

	ACTUAL		2018 BUDGET	UNUSED BUDGET	2017 ACTUAL
	CURRENT MONTH	YEAR TO DATE			
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ -	\$ 65	\$ -	\$ -	\$ 285
MONEY MARKET ACCOUNTS	-	1	-	-	66
VECTRA BANK	1	2	-	-	-
BANK OF THE SAN JUANS	9	25	-	-	73
STIFEL NICOLAUS	557	2,843	-	-	6,185
MORGAN STANLEY	1,347	5,693	-	-	11,237
UNREALIZED GAINS (LOSSES)	683	(2,330)	-	-	(13,954)
TOTAL INTEREST INCOME	2,597	6,299	21,000	14,701	3,892
MAINTENANCE FUND ASSESSMENT	335,772	1,031,333	1,700,000	668,667	1,185,441
18th STREET BRIDGE MURAL SPONSORSHIPS	-	1,200	-	(1,200)	-
CITY OF PUEBLO MAINT. FUND IGA	-	-	-	-	-
MAINTENANCE FUND REFUND	-	-	-	-	-
LOAN PROCEEDS	10,261	3,258,669	3,775,345	516,676	3,392,261
OTHER INCOME	-	1,001	-	(1,001)	7,859
TOTAL REVENUES	\$ 348,630	\$ 4,298,502	\$ 5,496,345	\$ 1,197,843	\$ 4,589,453
EXPENDITURES					
80 LEGAL FEES	\$ 500	\$ 6,901	\$ 30,000	\$ 23,099	\$ 44,374
81 DIRECTORS FEES	1,800	9,000	21,600	12,600	20,800
83 ENGINEER/ADMINISTRATIVE	1,700	8,088	20,400	12,312	25,350
90A BOOKKEEPING & AUDIT PREP	450	1,800	10,100	8,300	13,295
90B AUDIT	-	-	6,000	6,000	5,590
92 INSURANCE/BONDS	-	441	3,500	3,059	4,256
96 OFFICE EXPENSE	16	128	1,000	872	885
97 OFFICE RENT/STORAGE	-	-	1,050	1,050	1,075
100 PROFESSIONAL FEES	-	1,706	20,000	18,294	30,822
APPRAISAL	-	-	-	-	-
DOCUMENT PRESERVATION	-	-	10,000	10,000	-
103 TRAVEL	-	158	3,000	2,842	1,639
105 REPAIRS & MAINTENANCE	1,180	2,180	8,500	6,320	7,300
105A MAINTENANCE FUND ASSESSMENT PROGRAMMING & MAINTENANCE	1,941	2,890	5,000	2,110	29,612
108 CONTINGENCIES	-	-	20,000	20,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	-
110 CAPITAL IMPROVEMENTS PLANNING & DEVELOPMENT	-	-	5,000	5,000	15,000
110A CONTRACT ADMIN & OVERSIGHT	543	543	20,000	19,457	7,610
110D ARKANSAS RIVER PHASE 2	-	-	-	-	52,208
110E ARKANSAS RIVER PHASE 3	-	-	-	-	3,174,036
110K ARKANSAS RIVER PHASE 4	2,610	2,537,902	3,711,845	1,173,943	1,061,465
110M ARKANSAS RIVER PHASE 5	5,167	24,820	-	(24,820)	-
112A HARP - O & M	-	-	10,000	10,000	10,000
112B HARP IGA CONTRIBUTION	-	-	50,000	50,000	50,000
113 CONSTRUCTION LOAN PAYMENT	-	-	1,400,000	1,400,000	700,000
TOTAL EXPENDITURES	15,907	2,596,557	5,381,995	2,785,438	5,255,317
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 332,723	\$ 1,701,945	\$ 114,350	\$ (1,587,595)	\$ (665,864)

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