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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 June 30, 2018 and December 31, 2017, and the related statements of revenues and expenditures – general fund for the six months ended June 30, 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.

McPherson, Breyfogle, Davline, & Goodrich, PC

July 19, 2018

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
JUNE 30, 2018 AND DECEMBER 31, 2017

	<u>6/30/2018</u>	<u>12/31/2017</u>
ASSETS		
VECTRA BANK CHECKING	\$ 12,034	\$ 8,090
VECTRA BANK MONEY MARKET	11,934	11,931
BROKERAGE MONEY MARKET ACCOUNTS	6	9
BANK OF THE SAN JUANS DRAW	24,976	-
BANK OF THE SAN JUANS RESERVE ACCT	1,485,383	204,346
BANK OF THE SAN JUANS RESERVE OPER	-	-
COLOTRUST INVESTMENT	25,842	25,607
STIFEL NICOLAUS MONEY MARKET	-	-
STIFEL NICOLAUS INVESTMENT	258,451	261,013
MORGAN STANLEY MUTUAL FUNDS	973,968	966,885
MORGAN STANLEY INVESTMENT	-	-
ACCRUED INTEREST & OTHER RECEIVABLES	-	-
MAINTENANCE ASSESSMENTS RECEIVABLE	<u>384,343</u>	<u>1,700,000</u>
 TOTAL ASSETS	 <u>\$ 3,176,937</u>	 <u>\$ 3,177,881</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
ACCOUNTS PAYABLE	\$ -	\$ 324,618
BANK OVERDRAFT AT 6/30/2018	<u>500</u>	<u>343,833</u>
 TOTAL LIABILITIES	 <u>500</u>	 <u>668,451</u>
 DEFERRED INFLOWS OF RESOURCES		
MAINTENANCE ASSESSMENTS	<u>384,343</u>	<u>1,700,000</u>
 ASSIGNED FUND BALANCE	 -	 -
UNASSIGNED FUND BALANCE	<u>2,792,094</u>	<u>809,430</u>
 TOTAL FUND BALANCE	 <u>2,792,094</u>	 <u>809,430</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 3,176,937</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 SIX MONTHS ENDED JUNE 30, 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	\$ 170	\$ 235	\$ -	\$ -	\$ 285
MONEY MARKET ACCOUNTS	-	1	-	-	66
VECTRA BANK	-	3	-	-	-
BANK OF THE SAN JUANS	12	37	-	-	73
STIFEL NICOLAUS	-	2,843	-	-	6,185
MORGAN STANLEY	1,390	7,082	-	-	11,237
UNREALIZED GAINS (LOSSES)	(236)	(2,566)	-	-	(13,954)
TOTAL INTEREST INCOME	1,336	7,635	21,000	13,365	3,892
MAINTENANCE FUND ASSESSMENT	284,311	1,315,643	1,700,000	384,357	1,185,441
18th STREET BRIDGE MURAL SPONSORSHIPS	-	1,200	-	(1,200)	-
CITY OF PUEBLO MAINT. FUND IGA	-	-	-	-	-
MAINTENANCE FUND REFUND	-	-	-	-	-
LOAN PROCEEDS	10,944	3,269,613	3,775,345	505,732	3,392,261
OTHER INCOME	-	1,001	-	(1,001)	7,859
TOTAL REVENUES	\$ 296,591	\$ 4,595,092	\$ 5,496,345	\$ 901,253	\$ 4,589,453
EXPENDITURES					
80 LEGAL FEES	\$ 500	\$ 7,401	\$ 30,000	\$ 22,599	\$ 44,374
81 DIRECTORS FEES	1,800	10,800	21,600	10,800	20,800
83 ENGINEER/ADMINISTRATIVE	1,700	9,788	20,400	10,612	25,350
90A BOOKKEEPING & AUDIT PREP	450	2,250	10,100	7,850	13,295
90B AUDIT	-	-	6,000	6,000	5,590
92 INSURANCE/BONDS	-	441	3,500	3,059	4,256
96 OFFICE EXPENSE	229	358	1,000	642	885
97 OFFICE RENT/STORAGE	-	-	1,050	1,050	1,075
100 PROFESSIONAL FEES	233	1,938	20,000	18,062	30,822
APPRAISAL	-	-	-	-	-
DOCUMENT PRESERVATION	-	-	10,000	10,000	-
103 TRAVEL	-	158	3,000	2,842	1,639
105 REPAIRS & MAINTENANCE	640	2,820	8,500	5,680	7,300
105A MAINTENANCE FUND ASSESSMENT PROGRAMMING & MAINTENANCE	2,765	5,655	5,000	(655)	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	698	1,240	20,000	18,760	7,610
110D ARKANSAS RIVER PHASE 2	2,000	2,000	-	(2,000)	52,208
110E ARKANSAS RIVER PHASE 3	-	-	-	-	3,174,036
110K ARKANSAS RIVER PHASE 4	1,544	2,539,446	3,711,845	1,172,399	1,061,465
110M ARKANSAS RIVER PHASE 5	3,937	28,758	-	(28,758)	-
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	16,496	2,613,053	5,381,995	2,768,942	5,255,317
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 280,095	\$ 1,982,039	\$ 114,350	\$ (1,867,689)	\$ (665,864)

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PUEBLO CONSERVANCY DISTRICT

JUNE 2018 - JULY 2018

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

DEPOSITS - BANK OF THE SAN JUANS RESERVE ACCOUNT		
Pueblo County	Maintenance Fund Assessment	\$ 365,945.06
		\$ 365,945.06

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	\$ -		105
MBDG, PC	Bookkeeping	\$ 450.00	2021	90
	QuickBooks Checks	\$ 267.74	"	96
Don Banner - B&B, PC	Attorney Fees	\$ 500.00	2013	80
	Preparations for Retreat (Attendance NC), other research, emails, etc.	\$ 750.00	"	80
Kidd Engineering	Engineer/Admin Fees	\$ 1,700.00	2019	83
	Retreat Planning and Preparation (Attendance NC)	\$ 387.50	"	83
	Catering and Refreshments	\$ 187.35	"	96
Director Bernard	Director Fees	\$ 200.00	2014	81
Director Cordova	Director Fees	\$ 200.00	2020	81
Director Koehler	Director Fees	\$ 200.00	2015	81
Director Maroney	Director Fees	\$ 200.00	2016	81
	Mileage - Fountain Creek Committees, 145 mi @ \$0.545	\$ 79.03	"	103
Director Martin	Director Fees	\$ 200.00	2018	81
Director O'Hara	Director Fees	\$ 200.00	2023	81
Director Phillips	Director Fees	\$ 200.00	2017	81
Director Serna	Director Fees	\$ 200.00	2024	81
Director Willumstad	Director Fees	\$ 200.00	2022	81
	TOTAL OPERATING EXPENSES -- FUNDS TO BE TRANSFERRED FROM THE OPERATING ACCOUNT	\$ 6,121.62		

DEBITS - BANK OF THE SAN JUANS - CONSTRUCTION DRAW ACCOUNT				
Kidd Engineering	ARKANSAS RIVER LEVEE: MAY 22 THROUGH JUNE 22, 2018			
	Phase 2 Construction Admin, etc.	\$ 310.00		110A
	Phase 4 Construction Admin Oversight, Meetings, etc.	\$ -		110A
	Future Phases Construction Planning and Funding	\$ 387.50		110A
	Kidd Engineering Subtotal	\$ 697.50	1204	
NorthStar Engineering	ARKANSAS RIVER LEVEE: JUNE 23 THROUGH JULY 20, 2018			
	PHASE 4			
	Tasks G.3, G.4 and G.5 Construction Staking, Construction Observations, and Construction Testing			110K
	Reimbursable copies, mileage, etc.	\$ -		110K
	PHASE 5			
	Task I.2 - Prepare Price Quotation and Construction Documents	\$ 11,657.50		110M
	Tasks I.3.a, I.3.b, I.4.b, and I.5. - Bid and Construction Administration, Construction Staking, Construction Observation, and Construction Testing			110M
	Reimbursable copies, mileage, etc.	\$ 38.50		110M
	Maintenance Assessment Support, Consultations, Artwork and Recreational Opportunities, Board Retreat, 16th Street Properties, Hanging Bridge, FEMA Requirements, etc.	\$ 6,287.50		105A
	Reimbursable copies, etc.	\$ 358.50		105A
	NorthStar Subtotal	\$ 18,342.00	1205	
ASI Construction, LLC	PAY REQUEST NO. 5 Arkansas River Levee Phase 4 Schedule 1 and Add Alt #1 - Final	\$ 153,848.76	1202	110L
Williams Valuation, LLC	1912 16th Street Appraisal Balance	\$ 1,500.00	1206	100
Don Banner - B&B PC	CWCB Loan	\$ 900.00	1203	80
	1912 W 16th Street and CORA Requests	\$ 1,425.00	"	80
	TOTAL CONSTRUCTION EXPENSES -- FUNDS TO BE TRANSFERRED FROM THE DRAW ACCOUNT	\$ 176,713.26		

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