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**McPherson, Goodrich, Paolucci & Mihelich, PC**  
*Tax/Consulting/Audit      Certified Public Accountants*

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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 December 31, 2018 and December 31, 2017, and the related statements of revenues and expenditures – general fund for the year ended December 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 and the loan activity analysis for the month ending December 31, 2018) 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, Goodrich, Paulucci & Mitchell, PC*

February 25, 2019

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

	12/31/2018	12/31/2017
<b>ASSETS</b>		
VECTRA BANK CHECKING	\$ 12,942	\$ 8,090
VECTRA BANK MONEY MARKET	11,932	11,931
BROKERAGE MONEY MARKET ACCOUNTS	5	9
BANK OF THE SAN JUANS DRAW	30,114	-
BANK OF THE SAN JUANS RESERVE ACCT	3,309,326	204,346
BANK OF THE SAN JUANS RESERVE OPER	-	-
COLOTRUST INVESTMENT	26,145	25,607
STIFEL NICOLAUS MONEY MARKET	-	-
STIFEL NICOLAUS INVESTMENT	259,137	261,013
MORGAN STANLEY MUTUAL FUNDS	983,508	966,885
MORGAN STANLEY INVESTMENT	-	-
ACCRUED INTEREST & OTHER RECEIVABLES	-	-
MAINTENANCE ASSESSMENTS RECEIVABLE	-	1,700,000
 TOTAL ASSETS	 \$ 4,633,109	 \$ 3,177,881
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
ACCOUNTS PAYABLE	\$ 697,111	\$ 324,618
BANK OVERDRAFT AT 12/31/2018	500	343,833
 TOTAL LIABILITIES	 697,611	 668,451
 DEFERRED INFLOWS OF RESOURCES		
MAINTENANCE ASSESSMENTS	-	1,700,000
 ASSIGNED FUND BALANCE	 -	 -
UNASSIGNED FUND BALANCE	3,935,498	809,430
 TOTAL FUND BALANCE	 3,935,498	 809,430
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 \$ 4,633,109	 \$ 3,177,881

SEE ACCOUNTANTS' COMPILATION REPORT

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

	ACTUAL		2018 BUDGET	UNUSED BUDGET	2017 ACTUAL
	CURRENT MONTH	YEAR TO DATE			
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 55	\$ 538	\$ -	\$ -	\$ 285
MONEY MARKET ACCOUNTS	-	-	-	-	66
VECTRA BANK	1	7	-	-	-
BANK OF THE SAN JUANS	66	153	-	-	73
STIFEL NICOLAUS	0	5,540	-	-	6,185
MORGAN STANLEY	1,824	16,797	-	-	11,237
UNREALIZED GAINS (LOSSES)	1,715	(1,881)	-	-	(13,954)
TOTAL INTEREST INCOME	3,660	21,155	21,000	(155)	3,892
MANTENANCE FUND ASSESSMENT	119	1,762,392	1,700,000	(62,392)	1,185,441
18th STREET BRIDGE MURAL SPONSORSHIPS	-	1,200	-	(1,200)	-
CITY OF PUEBLO MAINT. FUND IGA	-	-	-	-	-
MANTENANCE FUND REFUND	-	-	-	-	-
LOAN PROCEEDS	-	19,212,996	21,751,710	2,538,714	3,392,261
OTHER INCOME	-	1,001	-	(1,001)	7,859
TOTAL REVENUES	\$ 3,779	\$ 20,998,743	\$ 23,472,710	\$ 2,473,967	\$ 4,589,453
EXPENDITURES					
80 LEGAL FEES	\$ 6,000	\$ 40,921	\$ 10,000	\$ (30,921)	\$ 44,374
81 DIRECTORS FEES	1,875	21,675	21,600	(75)	20,800
83 ENGINEER/ADMINISTRATIVE	3,400	28,454	20,400	(8,054)	25,350
90A BOOKKEEPING & AUDIT PREP	450	10,095	10,100	5	13,295
90B AUDIT	-	12,074	6,000	(6,074)	5,590
92 INSURANCE/BONDS	-	2,386	3,500	1,114	4,256
96 OFFICE EXPENSE	121	1,935	1,000	(935)	885
97 OFFICE RENT/STORAGE	-	-	1,050	1,050	1,075
100 PROFESSIONAL FEES	10,717	17,676	5,000	(12,676)	30,822
DOCUMENT PRESERVATION	-	-	2,000	2,000	-
103 TRAVEL	79	316	3,000	2,684	1,639
105 REPAIRS & MAINTENANCE	102	9,641	8,500	(1,141)	7,300
105A MAINTENANCE FUND ASSESSMENT	-	25,151	5,000	(20,151)	29,612
108 CONTINGENCIES	-	-	20,000	20,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	-
110 CAPITAL IMPROVEMENTS	-	-	5,000	5,000	15,000
PLANNING & DEVELOPMENT	-	-	10,000	10,000	-
110A CONTRACT ADMIN & OVERSIGHT	1,705	11,657	20,000	8,343	7,610
10A.1 CONSTRUCTION PROG PROFESSIONAL FEE	-	-	15,000	15,000	-
110D ARKANSAS RIVER PHASE 2	-	2,000	-	(2,000)	52,208
110E ARKANSAS RIVER PHASE 3	-	-	-	-	3,174,036
110F ARKANSAS RIVER LEVEE CERTIFICATION	-	10,955	-	(10,955)	-
110K ARKANSAS RIVER PHASE 4	-	2,693,396	3,722,845	1,029,449	1,061,465
110M LEVEE PHASE 5&6 DESIGN AND CONSTRUCTION	713,864	1,096,150	2,261,105	1,164,955	-
112A HARP - O & M	-	10,000	10,000	-	10,000
112B HARP IGA CONTRIBUTION	-	50,000	50,000	-	50,000
113 CONSTRUCTION LOAN PAYMENT	-	13,828,818	17,111,710	3,282,892	700,000
TOTAL EXPENDITURES	738,313	17,873,300	23,337,810	5,464,510	5,255,317
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (734,534)	\$ 3,125,443	\$ 134,900	\$ (2,990,543)	\$ (665,864)

SEE ACCOUNTANTS' COMPILATION REPORT

**PUEBLO CONSERVANCY DISTRICT  
LOAN ACTIVITY ANALYSIS  
MONTH ENDING DECEMBER 2018**

	Balance Beginning of Month	Monthly Draws	Monthly Payments or Credits	Balance End of Month
<b>Bank of the San Juans</b>				
2015 Series	-	-	-	-
2017 Series	3,852,732.79	-	(3,852,732.79)	-
2018 Series	8,854,193.91	-	(8,854,193.91)	-
Accrued interest	46,891.09	-	(46,891.09)	-
	<u>12,753,817.79</u>	<u>-</u>	<u>(12,753,817.79)</u>	<u>-</u>
<b>Colorado Water Conservation Board</b>				
2018 Series	15,711,110.83	-	-	15,711,110.83
Accrued interest	-	-	-	-
	<u>28,464,928.62</u>	<u>-</u>	<u>(12,753,817.79)</u>	<u>15,711,110.83</u>