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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 October 31, 2018 and December 31, 2017, and the related statements of revenues and expenditures – general fund for the ten months ended October 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.

*McPherson, Freyfogel, Daveline & Goodrich, PC*

November 26, 2018

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

|  | <u>10/31/2018</u>   | <u>12/31/2017</u>   |
|--|---------------------|---------------------|
| <b>ASSETS</b>  |                     |                     |
| VECTRA BANK CHECKING   | \$ 12,453           | \$ 8,090            |
| VECTRA BANK MONEY MARKET   | 11,935              | 11,931              |
| BROKERAGE MONEY MARKET ACCOUNTS  | 6                   | 9                   |
| BANK OF THE SAN JUANS DRAW   | 22,351              | -                   |
| BANK OF THE SAN JUANS RESERVE ACCT   | 722,486             | 204,346             |
| BANK OF THE SAN JUANS RESERVE OPER   | -                   | -                   |
| COLOTRUST INVESTMENT   | 25,987              | 25,607              |
| STIFEL NICOLAUS MONEY MARKET   | -                   | -                   |
| STIFEL NICOLAUS INVESTMENT   | 256,517             | 261,013             |
| MORGAN STANLEY MUTUAL FUNDS  | 980,005             | 966,885             |
| MORGAN STANLEY INVESTMENT  | -                   | -                   |
| ACCRUED INTEREST & OTHER RECEIVABLES   | -                   | -                   |
| MAINTENANCE ASSESSMENTS RECEIVABLE   | -                   | 1,700,000           |
|  | <hr/>               | <hr/>               |
| TOTAL ASSETS   | <u>\$ 2,031,742</u> | <u>\$ 3,177,881</u> |
| <br><b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES,<br/>AND FUND BALANCE</b>      |                     |                     |
| ACCOUNTS PAYABLE   | \$ -                | \$ 324,618          |
| BANK OVERDRAFT AT 10/31/2018   | 505                 | 343,833             |
|  | <hr/>               | <hr/>               |
| TOTAL LIABILITIES  | 505                 | 668,451             |
| <br><b>DEFERRED INFLOWS OF RESOURCES</b>   |                     |                     |
| MAINTENANCE ASSESSMENTS  | -                   | 1,700,000           |
|  | <hr/>               | <hr/>               |
| ASSIGNED FUND BALANCE  | -                   | -                   |
| UNASSIGNED FUND BALANCE  | 2,031,237           | 809,430             |
|  | <hr/>               | <hr/>               |
| TOTAL FUND BALANCE   | 2,031,237           | 809,430             |
| <br><b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCE</b> |                     |                     |
|  | <u>\$ 2,031,742</u> | <u>\$ 3,177,881</u> |

SEE ACCOUNTANTS' COMPILATION REPORT

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

|   | ACTUAL              |                     | 2018<br>BUDGET      | UNUSED<br>BUDGET      | 2017<br>ACTUAL      |
|---|---------------------|---------------------|---------------------|-----------------------|---------------------|
|   | CURRENT<br>MONTH    | YEAR<br>TO DATE     |                     |                       |                     |
| <b>REVENUES</b>   |                     |                     |                     |                       |                     |
| <b>INTEREST INCOME</b>  |                     |                     |                     |                       |                     |
| COLOTRUST   | \$ -                | \$ 380              | \$ -                | \$ -                  | \$ 285              |
| MONEY MARKET ACCOUNTS   | -                   | -                   | -                   | -                     | 66                  |
| VECTRA BANK   | -                   | 5                   | -                   | -                     | -                   |
| BANK OF THE SAN JUANS   | 10                  | 88                  | -                   | -                     | 73                  |
| STIFEL NICOLAUS   | 1,078               | 5,005               | -                   | -                     | 6,185               |
| MORGAN STANLEY  | 1,689               | 13,295              | -                   | -                     | 11,237              |
| UNREALIZED GAINS (LOSSES)   | (1,223)             | (4,500)             | -                   | -                     | (13,954)            |
| <b>TOTAL INTEREST INCOME</b>  | <b>1,555</b>        | <b>14,273</b>       | <b>21,000</b>       | <b>6,727</b>          | <b>3,892</b>        |
| MAINTENANCE FUND ASSESSMENT   | 8,653               | 1,738,798           | 1,700,000           | (38,798)              | 1,185,441           |
| 18th STREET BRIDGE MURAL SPONSORSHIPS                               | -                   | 1,200               | -                   | (1,200)               | -                   |
| CITY OF PUEBLO MAINT. FUND IGA                                      | -                   | -                   | -                   | -                     | -                   |
| MAINTENANCE FUND REFUND   | -                   | -                   | -                   | -                     | -                   |
| LOAN PROCEEDS   | 23,946              | 3,501,886           | 6,040,000           | 2,538,115             | 3,392,261           |
| OTHER INCOME  | -                   | 1,001               | -                   | (1,001)               | 7,859               |
| <b>TOTAL REVENUES</b>   | <b>\$ 34,153</b>    | <b>\$ 5,257,158</b> | <b>\$ 7,761,000</b> | <b>\$ 2,503,842</b>   | <b>\$ 4,589,453</b> |
| <b>EXPENDITURES</b>   |                     |                     |                     |                       |                     |
| 80 LEGAL FEES   | \$ 500              | \$ 34,421           | \$ 10,000           | \$ (24,421)           | \$ 44,374           |
| 81 DIRECTORS FEES   | 1,800               | 18,000              | 21,600              | 3,600                 | 20,800              |
| 83 ENGINEER/ADMINISTRATIVE  | 1,933               | 23,354              | 20,400              | (2,954)               | 25,350              |
| 90A BOOKKEEPING & AUDIT PREP  | 450                 | 8,745               | 10,100              | 1,355                 | 13,295              |
| 90B AUDIT   | -                   | 12,074              | 6,000               | (6,074)               | 5,590               |
| 92 INSURANCE/BONDS  | -                   | 441                 | 3,500               | 3,059                 | 4,256               |
| 96 OFFICE EXPENSE   | 5                   | 1,509               | 1,000               | (509)                 | 885                 |
| 97 OFFICE RENT/STORAGE  | -                   | -                   | 1,050               | 1,050                 | 1,075               |
| 100 PROFESSIONAL FEES   | -                   | 12,146              | 5,000               | (7,146)               | 30,822              |
| APPRAISAL   | -                   | -                   | -                   | -                     | -                   |
| DOCUMENT PRESERVATION   | -                   | -                   | 2,000               | 2,000                 | -                   |
| 103 TRAVEL  | -                   | 237                 | 3,000               | 2,763                 | 1,639               |
| 105 REPAIRS & MAINTENANCE   | 1,879               | 7,149               | 8,500               | 1,351                 | 7,300               |
| 105A MAINTENANCE FUND ASSESSMENT<br>PROGRAMMING & MAINTENANCE       | -                   | 17,959              | 5,000               | (12,959)              | 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                                     | 7,550               | 9,565               | 20,000              | 10,436                | 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<br>DESIGN &/OR CONSTRUCTION | -                   | 10,955              | -                   | (10,955)              | -                   |
| 110K ARKANSAS RIVER PHASE 4   | -                   | 2,693,396           | 3,722,845           | 1,029,449             | 1,061,465           |
| 110M ARKANSAS RIVER PHASE 5   | 5,702               | 49,027              | 2,261,105           | 2,212,079             | -                   |
| 112A HARP - O & M   | -                   | 10,000              | 10,000              | -                     | 10,000              |
| 112B HARP IGA CONTRIBUTION  | -                   | 50,000              | 50,000              | -                     | 50,000              |
| 113 CONSTRUCTION LOAN PAYMENT                                       | 537,500             | 1,075,000           | 1,400,000           | 325,000               | 700,000             |
| <b>TOTAL EXPENDITURES</b>   | <b>557,318</b>      | <b>4,035,977</b>    | <b>7,626,100</b>    | <b>3,590,123</b>      | <b>5,255,317</b>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b>        | <b>\$ (523,165)</b> | <b>\$ 1,221,181</b> | <b>\$ 134,900</b>   | <b>\$ (1,086,281)</b> | <b>\$ (665,864)</b> |

SEE ACCOUNTANTS' COMPILATION REPORT

# PUEBLO CONSERVANCY DISTRICT

OCTOBER 2018 - NOVEMBER 2018

| DEPOSITS - VECTRA BANK       |                                  |             |
|------------------------------|----------------------------------|-------------|
| VENDOR                       | ITEM                             | AMOUNT      |
| Stifel Nicolaus              | Interest Payment                 | \$ 521.02   |
| East High Alumni Association | Levee Mural HS Logo Contribution | \$ 600.00   |
|                              |                                  | \$ 1,121.02 |

| DEPOSITS - BANK OF THE SAN JUANS RESERVE ACCOUNT |                             |              |
|--|-----------------------------|--------------|
| Pueblo County                                    | Maintenance Fund Assessment | \$ 23,474.94 |
|  |                             | \$ 23,474.94 |

| DEBITS - VECTRA CASH CHECKING ACCOUNT |      |        |       |      |
|---------------------------------------|------|--------|-------|------|
| VENDOR                                | ITEM | AMOUNT | CHECK | CODE |
|                                       |      |        |       |      |

| DEBITS - BANK OF THE SAN JUANS - OPERATIONS & MAINTENANCE ACCOUNT |  |             |       |      |
|---|--|-------------|-------|------|
| VENDOR  | ITEM   | AMOUNT      | CHECK | CODE |
| BHE   | Electrical Billing   | Pre-Paid    |       | 105  |
| MBDG, PC  | Bookkeeping  | \$ 450.00   | 2090  | 90A  |
| Don Banner - B&B, PC  | Attorney Fees  | \$ 500.00   | 2080  | 80   |
| Kidd Engineering  | Engineer/Admin Fees  | \$ 1,700.00 | 2088  | 83   |
|   | County-Runyon Meetings   | \$ 232.50   | "     | 100  |
|   | Meetings with Accountant   | \$ 155.00   | "     | 100  |
| Director Bernard  | Director Fees  | \$ 200.00   | 2081  | 81   |
| Director Cordova  | Director Fees  | \$ 200.00   | 2089  | 81   |
| Director Koehler  | Director Fees  | \$ 200.00   | 2084  | 81   |
| Director Maroney  | Director Fees  | \$ 200.00   | 2085  | 81   |
|   | Mileage - Fountain Creek Committees,<br>XXX mi @\$0.545            | \$ -        |       | 103  |
| Director Martin   | Director Fees  | \$ 200.00   | 2087  | 81   |
| Director O'Hara   | Director Fees  | \$ 200.00   | 2092  | 81   |
|   | Reimbursement for paying Don<br>Watson Painting for graffiti cover | \$ -        |       | 105  |
| Director Phillips   | Director Fees  | \$ 200.00   | 2086  | 81   |

|  |   |                    |      |     |
|--|---|--------------------|------|-----|
| Director Serna                                       | Director Fees   | \$ 200.00          | 2093 | 81  |
| Director Willumstad                                  | Director Fees   | \$ 200.00          | 2091 | 81  |
| Colorado Special Districts Property & Liability Pool | 2019 P&L Insurance Premium  | \$ 1,945.16        | 2082 | 92  |
| Spaccamonti Excavating                               | Lake Runyon Levee mowing and trash removal  | \$ 2,391.00        | 2094 | 105 |
| Computer Images of Pueblo                            | 2019 Website Hosting and Domain Name Renewals   | \$ 271.98          | 2083 | 96  |
|  | <b>TOTAL OPERATING EXPENSES -- FUNDS TO BE TRANSFERRED FROM THE OPERATING ACCOUNT</b> | <b>\$ 9,445.64</b> |      |     |

**DEBITS - BANK OF THE SAN JUANS - CONSTRUCTION DRAW ACCOUNT**

|                       |   |                  |      |      |
|-----------------------|---|------------------|------|------|
| Kidd Engineering      | ARKANSAS RIVER LEVEE:<br>OCTOBER 20 THROUGH NOVEMBER 25, 2018   |                  |      |      |
|                       | Phase 5 Construction Meetings   | \$ 232.50        |      | 110A |
|                       | Construction and Design Budget Programming  | \$ 155.00        |      | 110A |
|                       | <b>Kidd Engineering Subtotal</b>  | <b>\$ 387.50</b> | 1227 |      |
| NorthStar Engineering | ARKANSAS RIVER LEVEE:<br>SEPTEMBER 22 THROUGH OCTOBER 19, 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   | \$ -             |      | 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 | \$ 14,635.00     |      | 110M |
|                       | Reimbursable copies, mileage, etc.  | \$ 36.00         |      | 110M |
|                       | Maintenance Assessment Support, Consultations, Artwork and Recreational Opportunities, CWCB Loan documents, FEMA Requirements, etc.                 | \$ 7,190.00      |      | 105A |

|                       |   |                     |      |      |
|-----------------------|---|---------------------|------|------|
|                       | Reimbursable copies, etc.   | \$ 2.50             |      | 105A |
|                       | <b>NorthStar Subtotal</b>   | <b>\$ 21,863.50</b> | 1228 |      |
| Garren Ross & DeNardo | Replacement of Check # 1218 in the amount of \$7,762.84. BSJ Bonds and CWCB Loan Consultation | \$ 2,189.00         | 1226 | 100  |
|                       | <b>TOTAL CONSTRUCTION EXPENSES -- FUNDS TO BE TRANSFERRED FROM THE DRAW ACCOUNT</b>           | <b>\$ 24,440.00</b> |      |      |

| <b>DEBITS - BANK OF THE SAN JUANS RESERVE ACCOUNT</b> |  |      |  |  |
|---|--|------|--|--|
|   |  |      |  |  |
| Pueblo Conservancy District                           |  |      |  |  |
|   |  | \$ - |  |  |