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McPherson, Goodrich, Paolucci & Mihelich, PC

Tax/Consulting/Audit

Certified Public Accountants

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 January 31, 2019 and December 31, 2018, and the related statements of revenues and expenditures – general fund for the one month ended January 31, 2019 and the year ended December 31, 2018, 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 January 31, 2019) 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.

M. Pherson, Goodrich, Prohman & Mitchell, P.C.

February 25, 2019

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
JANUARY 31, 2019 AND DECEMBER 31, 2018

	1/31/2019	12/31/2018
ASSETS		
VECTRA BANK CHECKING	\$ 13,954	\$ 12,942
VECTRA BANK MONEY MARKET	11,930	11,932
BROKERAGE MONEY MARKET ACCOUNTS	6	5
BANK OF THE SAN JUANS DRAW	30,114	30,114
BANK OF THE SAN JUANS RESERVE ACCT	3,667,854	3,309,326
BANK OF THE SAN JUANS RESERVE OPER	-	-
COLOTRUST INVESTMENT	26,202	26,145
STIFEL NICOLAUS MONEY MARKET	-	-
STIFEL NICOLAUS INVESTMENT	260,001	259,137
MORGAN STANLEY MUTUAL FUNDS	985,448	983,508
MORGAN STANLEY INVESTMENT	-	-
ACCRUED INTEREST & OTHER RECEIVABLES	-	-
MAINTENANCE ASSESSMENTS RECEIVABLE	-	-
TOTAL ASSETS	\$ 4,995,509	\$ 4,633,109
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
ACCOUNTS PAYABLE	\$ 475	\$ 697,111
BANK OVERDRAFT AT 1/31/2019	500	500
TOTAL LIABILITIES	975	697,611
DEFERRED INFLOWS OF RESOURCES		
MAINTENANCE ASSESSMENTS	-	-
ASSIGNED FUND BALANCE	-	-
UNASSIGNED FUND BALANCE	4,994,534	3,935,498
TOTAL FUND BALANCE	4,994,534	3,935,498
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 4,995,509	\$ 4,633,109

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
 COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
 ACTUAL AND BUDGET - GENERAL FUND
 FOR THE ONE MONTH ENDED JANUARY 31, 2019
 AND THE YEAR ENDED DECEMBER 31, 2018

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2019 BUDGET	UNUSED BUDGET	2018 ACTUAL
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 58	\$ 58	\$ -	\$ -	\$ 538
MONEY MARKET ACCOUNTS	-	-	-	-	-
VECTRA BANK	-	-	-	-	7
BANK OF THE SAN JUANS	28	28	-	-	153
STIFEL NICOLAUS	1,026	1,026	-	-	5,540
MORGAN STANLEY	1,940	1,940	-	-	16,797
UNREALIZED GAINS (LOSSES)	865	865	-	-	(1,881)
TOTAL INTEREST INCOME	3,917	3,917	6,500	2,583	21,154
MAINTENANCE FUND ASSESSMENT	256	256	1,700,000	1,699,744	1,762,392
18th STREET BRIDGE MURAL SPONSORSHIPS	-	-	-	-	1,200
CITY OF PUEBLO MAINT. FUND IGA	-	-	-	-	-
MAINTENANCE FUND REFUND	-	-	-	-	-
LOAN PROCEEDS	1,093,812	1,093,812	4,000,000	2,906,188	19,212,996
OTHER INCOME	-	-	-	-	1,001
TOTAL REVENUES	\$ 1,097,985	\$ 1,097,985	\$ 5,706,500	\$ 4,608,515	\$ 20,998,743
EXPENDITURES					
80 LEGAL FEES	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 40,921
81 DIRECTORS FEES	1,800	1,800	21,600	19,800	21,675
83 ENGINEER/ADMINISTRATIVE	-	-	20,400	20,400	28,454
90A BOOKKEEPING & AUDIT PREP	475	475	12,000	11,525	10,095
90B AUDIT	-	-	7,000	7,000	12,074
92 INSURANCE/BONDS	-	-	3,500	3,500	2,386
96 OFFICE EXPENSE	17	17	1,000	983	1,935
97 OFFICE RENT/STORAGE	-	-	1,050	1,050	-
100 PROFESSIONAL FEES	-	-	5,000	5,000	17,676
DOCUMENT PRESERVATION	-	-	2,000	2,000	-
103 TRAVEL	-	-	3,000	3,000	316
105 REPAIRS & MAINTENANCE	448	448	8,500	8,052	9,641
105A MAINTENANCE FUND ASSESSMENT	465	465	7,000	6,535	25,151
108 CONTINGENCIES	-	-	20,000	20,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	-
110 CAPITAL IMPROVEMENTS	-	-	5,000	5,000	-
PLANNING & DEVELOPMENT	-	-	10,000	10,000	-
110A CONTRACT ADMIN & OVERSIGHT	2,325	2,325	20,000	17,675	11,657
10A.1 CONSTRUCTION PROG PROFESSIONAL FEE	-	-	15,000	15,000	-
110D ARKANSAS RIVER PHASE 2	-	-	-	-	2,000
110E ARKANSAS RIVER PHASE 3	-	-	-	-	-
110F ARKANSAS RIVER LEVEE CERTIFICATION	-	-	-	-	10,955
110K ARKANSAS RIVER PHASE 4	-	-	-	-	2,693,396
110M LEVEE PHASE 5&6 DESIGN AND CONSTRUCTION	33,418	33,418	4,000,000	3,966,582	1,096,150
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	13,828,818
TOTAL EXPENDITURES	38,948	38,948	5,647,050	5,608,102	17,873,300
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,059,037	\$ 1,059,037	\$ 59,450	\$ (999,587)	\$ 3,125,443

SEE ACCOUNTANTS' COMPILATION REPORT

**PUEBLO CONSERVANCY DISTRICT
LOAN ACTIVITY ANALYSIS
MONTH ENDING JANUARY 2019**

	<u>Balance Beginning of Month</u>	<u>Monthly Draws</u>	<u>Monthly Payments or Credits</u>	<u>Balance End of Month</u>
Bank of the San Juans				
2015 Series	-	-	-	-
2017 Series	3,852,732.79	-	(3,852,732.79)	-
2018 Series	<u>8,854,193.91</u>	<u>-</u>	<u>(8,854,193.91)</u>	<u>-</u>
Accrued interest	46,891.09	-	(46,891.09)	-
	<u>12,753,817.79</u>	<u>-</u>	<u>(12,753,817.79)</u>	<u>-</u>
Colorado Water Conservation Board				
2018 Series	15,711,110.83	1,093,811.50	-	16,804,922.33
Accrued interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>28,464,928.62</u>	<u>1,093,811.50</u>	<u>(12,753,817.79)</u>	<u>16,804,922.33</u>

PUEBLO CONSERVANCY DISTRICT

DECEMBER 2018 - JANUARY 2019

DEPOSITS - VECTRA BANK		
VENDOR	ITEM	AMOUNT
Stifel Nicolaus	Interest Payment	\$ 504.77
Stifel Nicolaus	Interest Payment	\$ 499.18
Chavez/Huerta K-12 Prep Academy	Levee Mural HS Logo Contribution	\$ 600.00
Pueblo County School District 70	Levee Mural HS Logo Contribution	\$ 2,400.00
Pueblo County	County Area Levee Mural HS Logo Contribution	\$ 400.00
		\$ 4,403.95

DEPOSITS - BANK OF THE SAN JUANS RESERVE ACCOUNT		
Pueblo County	Maintenance Fund Assessment	\$ 96,921.51
		\$ 96,921.51

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	\$ 300.00	2121	90A
Don Banner - B&B, PC	Attorney Fees	\$ 500.00	2122	80
Kidd Engineering	Engineer/Admin Fees	\$ 1,700.00	2123	83
	Meeting w/CDOT on Ilex Project	\$ 232.50	"	83
Director Bernard	Director Fees	\$ 200.00	2124	81
Director Cordova	Director Fees	\$ 200.00	2125	81
Director Koehler	Director Fees	\$ 200.00	2126	81
Director Maroney	Director Fees	\$ 200.00	2127	81
	Mileage - Fountain Creek Committees, 150 mi @\$0.58	\$ 87.00	"	103
Director Martin	Director Fees	\$ 200.00	2128	81

Director O'Hara	Director Fees	\$ 200.00	2129	81
	Reimbursement for application of graffiti resistant coating at 18th Street	\$ 400.00	"	105
Director Phillips	Director Fees	\$ 200.00	2130	81
Director Serna	Director Fees	\$ 200.00	2131	81
Director Willumstad	Director Fees	\$ 200.00	2132	81
	TOTAL OPERATING EXPENSES -- FUNDS TO BE TRANSFERRED FROM THE RESERVE ACCOUNT TO THE OPERATING ACCOUNT	\$ 5,019.50		

DEBITS - BANK OF THE SAN JUANS - CONSTRUCTION DRAW ACCOUNT

Kidd Engineering	ARKANSAS RIVER LEVEE:			
	JANUARY 19 THROUGH FEBRUARY 22, 2019			
	Phase 4 Warranty and site clean-up	\$ 310.00		110A
	Phase 5 CA/CO, Construction Meetings, Document Reviews, etc.	\$ 4,030.00		110A
	Phase 6 Planning and Design Review	\$ 542.50		110A
	Kidd Engineering Subtotal	\$ 4,882.50	1238	
NorthStar Engineering				
	ARKANSAS RIVER LEVEE:			
	JANUARY 19 THROUGH FEBRUARY 22, 2019			
	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	\$ 56,947.50		110M
	Reimburseable copies, mileage, etc.	\$ 291.00		110M

	PHASE 6			
	Task J.2 - Prepare Price Quotation and Construction Documents	\$ 4,432.50		110M
	Reimbursable copies, mileage, etc.	\$ 516.00		110M
	Maintenance Assessment Support, Consultations, Artwork and Recreational Opportunities, CWCB Loan documents, FEMA Requirements, etc.	\$ 542.50		105A
	Reimbursable copies, etc.	\$ 13.00		105A
	NorthStar Subtotal	\$ 62,742.50	1239	
K.R. Swerdfeger Construction, Inc.	PHASE 5 - Pay Request #3 - THROUGH JANUARY 31, 2019	\$ 1,291,594.32	1237	110M
	TOTAL CONSTRUCTION EXPENSES -- FUNDS TO BE TRANSFERRED FROM THE DRAW ACCOUNT	\$ 1,359,219.32		

DEBITS - BANK OF THE SAN JUANS LOAN ACCOUNT				
Pueblo Conservancy District	Transfer to Draw Account	\$ 1,164,141.65		
		\$ 1,164,141.65		

DEBITS - BANK OF THE SAN JUANS RESERVE ACCOUNT				
Pueblo Conservancy District	Transfer to Operating Account	\$ 5,019.50		
Pueblo Conservancy District	Transfer to Draw Account	\$ 195,077.67		
		\$ 200,097.17		



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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Pueblo Conservancy District
Pueblo, Colorado

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Required Supplementary Information

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Supplementary Information

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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
ASSETS		
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
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
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				
	CURRENT MONTH	YEAR TO DATE	2018 BUDGET	UNUSED BUDGET	2017 ACTUAL
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
MAINTENANCE 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	-	-	-	-	-
MAINTENANCE 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**

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