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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 August 31, 2019 and December 31, 2018, and the related statements of revenues and expenditures – general fund for the eight months ended August 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 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 year to date budget comparison 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.

We are not independent with respect to the Pueblo Conservancy District.

M. Pharo, Coakley, Ralucci & Mahler, PC

September 23, 2019

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

	<u>8/31/2019</u>	<u>12/31/2018</u>
ASSETS		
VECTRA BANK CHECKING	\$ 28,515	\$ 12,942
VECTRA BANK MONEY MARKET	11,916	11,932
BANK OF THE SAN JUANS DRAW	30,114	30,114
BANK OF THE SAN JUANS RESERVE ACCT	4,965,227	3,309,326
COLOTRUST INVESTMENT	26,478	26,145
STIFEL NICOLAUS INVESTMENT	-	259,137
MORGAN STANLEY MUTUAL FUNDS	-	983,508
STIFEL NICOLAUS MONEY MARKET 8700-0987	<u>1,270,575</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 6,332,825</u>	 <u>\$ 4,633,104</u>
 LIABILITIES AND FUND BALANCE		
ACCOUNTS PAYABLE	\$ 475	\$ 697,111
BANK OVERDRAFT	<u>500</u>	<u>500</u>
 TOTAL LIABILITIES	 <u>975</u>	 <u>697,611</u>
ASSIGNED FUND BALANCE	-	-
UNASSIGNED FUND BALANCE	<u>6,331,850</u>	<u>3,935,498</u>
 TOTAL FUND BALANCE	 <u>6,331,850</u>	 <u>3,935,498</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 6,332,825</u>	 <u>\$ 4,633,109</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
 COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
 FOR THE ONE MONTH AND EIGHT MONTHS ENDED AUGUST 31, 2019
 AND THE YEAR ENDED DECEMBER 31, 2018

	ACTUAL		
	CURRENT MONTH	YEAR TO DATE	2018 ACTUAL
REVENUES			
INTEREST INCOME			
COLOTRUST	\$ -	\$ 333	\$ 538
VECTRA BANK	1	8	7
BANK OF THE SAN JUANS	-	248	153
STIFEL NICOLAUS	3,974	14,398	5,540
STIFEL NICOLAUS 8700-0987	884	5,209	-
MORGAN STANLEY	-	2,562	16,797
UNREALIZED GAINS (LOSSES)	3,285	12,345	(1,881)
TOTAL INTEREST INCOME	8,144	35,103	21,154
MAINTENANCE FUND ASSESSMENT	27,801	1,729,300	1,762,392
18th STREET BRIDGE MURAL SPONSORSHIPS	-	-	1,200
OTHER INCOME	-	8,000	1,001
TOTAL REVENUES	\$ 35,945	\$ 1,772,403	\$ 1,785,747
EXPENDITURES			
80 LEGAL FEES	\$ 500	\$ 8,628	\$ 40,921
81 DIRECTORS FEES	1,800	14,400	21,675
83 ENGINEER/ADMINISTRATIVE	1,700	20,038	28,454
90A BOOKKEEPING & AUDIT PREP	475	4,475	10,095
90B AUDIT	-	-	12,074
92 INSURANCE/BONDS	-	859	2,386
96 OFFICE EXPENSE	945	2,439	1,935
97 OFFICE RENT/STORAGE	-	1,050	-
100 PROFESSIONAL FEES	-	-	17,676
103 TRAVEL	-	174	316
105 REPAIRS & MAINTENANCE	400	8,781	9,641
105A MAINTENANCE FUND ASSESSMENT	6,145	25,008	25,151
110 CAPITAL IMPROVEMENTS	18,495	22,105	-
110A CONTRACT ADMIN & OVERSIGHT	-	6,355	11,657
110D ARKANSAS RIVER PHASE 2	-	-	2,000
110F ARKANSAS RIVER LEVEE CERTIFICATION	-	14,230	10,955
110K ARKANSAS RIVER PHASE 4	-	542	2,693,396
110M LEVEE PHASE 5&6 DESIGN AND CONSTRUCTION	3,490	2,849,608	1,096,150
112A HARP - O & M	-	10,000	10,000
112B HARP IGA CONTRIBUTION	-	50,000	50,000
113 CONSTRUCTION LOAN PAYMENT	323,247	323,247	13,828,818
TOTAL EXPENDITURES	357,197	3,361,939	17,873,300
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (321,252)	\$ (1,589,536)	\$ (16,087,553)
OTHER FINANCING SOURCES			
LOAN PROCEEDS	28,130	3,984,194	19,212,996
TOTAL OTHER FINANCING SOURCES	28,130	3,984,194	19,212,996
NET CHANGE IN FUND BALANCE	(293,122)	2,394,658	3,125,443
FUND BALANCE AT BEGINNING OF PERIOD	6,624,972	3,937,192	810,055
FUND BALANCE AT END OF PERIOD	\$ 6,331,850	\$ 6,331,850	\$ 3,935,498

SEE ACCOUNTANTS' COMPILATION REPORT

SUPPLEMENTARY INFORMATION

PUEBLO CONSERVANCY DISTRICT
YEAR TO DATE BUDGET COMPARISON
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2019

	8/31/2019 <u>ACTUAL</u>	2019 ANNUAL <u>BUDGET</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>
REVENUES			
INTEREST INCOME			
COLOTRUST	\$ 333	\$ -	\$ -
VECTRA BANK	8	-	-
BANK OF THE SAN JUANS	248	-	-
STIFEL NICOLAUS	14,398	-	-
STIFEL NICOLAUS 8700-0987	5,209	-	-
MORGAN STANLEY	2,562	-	-
UNREALIZED GAINS (LOSSES)	<u>12,345</u>	<u>-</u>	<u>-</u>
TOTAL INTEREST INCOME	35,103	6,500	(28,603)
MAINTENANCE FUND ASSESSMENT	1,729,300	1,700,000	(29,300)
LOAN PROCEEDS	3,984,194	4,000,000	15,806
OTHER INCOME	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
TOTAL REVENUES	\$ 5,756,597	\$ 5,706,500	\$ (50,097)
EXPENDITURES			
80 LEGAL FEES	\$ 8,628	\$ 10,000	\$ 1,372
81 DIRECTORS FEES	14,400	21,600	7,200
83 ENGINEER/ADMINISTRATIVE	20,038	20,400	362
90A BOOKKEEPING & AUDIT PREP	4,475	12,000	7,525
90B AUDIT	-	7,000	7,000
92 INSURANCE/BONDS	859	3,500	2,641
96 OFFICE EXPENSE	2,439	1,000	(1,439)
97 OFFICE RENT/STORAGE	1,050	1,050	-
100 PROFESSIONAL FEES	-	5,000	5,000
DOCUMENT PRESERVATION	-	2,000	2,000
103 TRAVEL	174	3,000	2,826
105 REPAIRS & MAINTENANCE	8,781	8,500	(281)
105A MAINTENANCE FUND ASSESSMENT	25,008	7,000	(18,008)
108 CONTINGENCIES	-	20,000	20,000
109 EMERGENCY REPAIR	-	15,000	15,000
110 CAPITAL IMPROVEMENTS	22,105	5,000	(17,105)
PLANNING & DEVELOPMENT	-	10,000	10,000
110A CONTRACT ADMIN & OVERSIGHT	6,355	20,000	13,645
10A.1 CONSTRUCTION PROG PROFESSIONAL FEE	-	15,000	15,000
110F ARKANSAS RIVER LEVEE CERTIFICATION	14,230	-	(14,230)
DESIGN &/OR CONSTRUCTION			
110K ARKANSAS RIVER PHASE 4	542	-	(542)
110M LEVEE PHASE 5&6 DESIGN AND CONSTRUCTION	2,849,608	4,000,000	1,150,392
112A HARP - O & M	10,000	10,000	-
112B HARP IGA CONTRIBUTION	50,000	50,000	-
113 CONSTRUCTION LOAN PAYMENT	<u>323,247</u>	<u>1,400,000</u>	<u>1,076,753</u>
TOTAL EXPENDITURES	<u>3,361,939</u>	<u>5,647,050</u>	<u>2,285,111</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 2,394,658</u>	<u>\$ 59,450</u>	<u>\$ (2,335,208)</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT

AUGUST 2019 - SEPTEMBER 2019

DEPOSITS - VECTRA BANK		
VENDOR	ITEM	AMOUNT
Stifel Nicolaus	Interest Payment	\$ 3,768.82
		\$ 3,768.82

DEPOSITS - BANK OF THE SAN JUANS RESERVE ACCOUNT		
Pueblo County	Maintenance Fund Assessment	\$ 18,553.06
		\$ 18,553.06

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	Prepaid		105
MGPM, PC	Bookkeeping	\$ 475.00	2225	90A
	Compilations and Audit Preparation	\$ 7,000.00	"	90B
Don Banner - B&B, PC	Attorney Fees	\$ 500.00	2217	80
Kidd Engineering	Engineer/Admin Fees	\$ 1,700.00	2223	83
	Document Shredding	\$ 10.00	"	96
	Office Supplies	\$ 40.87	"	96
	SDACO Conference Room Bookings	\$ 360.48	"	103
Director Bernard	Director Fees	\$ 200.00	2218	81
Director Cordova	Director Fees	\$ 200.00	2224	81
Director Koehler	Director Fees	\$ 200.00	2219	81
Director Maroney	Director Fees	\$ 200.00	2220	81
	Mileage - Fountain Creek Committees, 150 mi @\$0.58	\$ 87.00	"	103
Director Martin	Director Fees	\$ 200.00	2222	81

Director O'Hara	Director Fees	\$ 200.00	2227	81
Director Phillips	Director Fees	\$ 200.00	2221	81
Director Serna	Director Fees	\$ 200.00	2228	81
Director Willumstad	Director Fees	\$ 200.00	2226	81
SRDA	Tour Bus Charter	\$ 112.50	2230	96
Spaccamonti Excavating	Grove Levee Weed Cutting and Removal	\$ 4,020.00	2229	105
	Runyon Levee Weed Cutting and Trash Rack Cleaning	\$ 4,325.00	"	105
	TOTAL OPERATING EXPENSES -- FUNDS TO BE TRANSFERRED FROM THE RESERVE ACCOUNT TO THE OPERATING ACCOUNT	\$ 20,430.85		

DEBITS - BANK OF THE SAN JUANS - CONSTRUCTION DRAW ACCOUNT

Kidd Engineering	ARKANSAS RIVER LEVEE:			
	AUGUST 24 THROUGH SEPTEMBER 21, 2019			
	Phase 6 Planning and Coordination with City of Pueblo	\$ 387.50		110M
	Kidd Engineering Subtotal	\$ 387.50	1272	
NorthStar Engineering	ARKANSAS RIVER LEVEE:			
	AUGUST 24 THROUGH SEPTEMBER 21, 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	\$ -		110M
	Reimbursable copies, mileage, etc.	\$ -		110M
	PHASE 6			
	Task J.2 - Prepare Price Quotation and Construction Documents	\$ -		110M
	Reimbursable copies, mileage, etc.	\$ -		110M

	Tasks J.3a, J.3b, J.4a, and J.5 - Bid and Construction Administration, Construction Staking, Construction Observation, and Construction Testing	\$ 8,455.00		110M
	Reimbursable copies, mileage, etc.	\$ 87.50		110M
	Maintenance Assessment Support, Consultations, Artwork and Recreational Opportunities, CWCB Loan documents, Railroad Fencing, etc.	\$ 2,002.50		105A
	Reimbursable copies, etc.	\$ -		105A
	Maintenance and Artist Location Indexing and Mapping	\$ 1,800.00		110
	Fountain Creek Floodway Zone MFA Analysis	\$ 3,040.00		105A
	Reimbursable copies, etc.	\$ 234.00		
	NorthStar Subtotal	\$ 15,619.00	1273	
Pueblo County Treasurer	1912 W 16th Prorated Taxes	\$ 270.59	1274	110D
Dirt N Demo	1912, 1914, 1914.5 Demolition Work	\$ -		110D
	TOTAL CONSTRUCTION EXPENSES -- FUNDS TO BE TRANSFERRED FROM THE DRAW ACCOUNT	\$ 16,277.09		

DEBITS - BANK OF THE SAN JUANS LOAN ACCOUNT			
Pueblo Conservancy District	Transfer to Draw Account	\$ 16,227.09	
		\$ 16,227.09	
	Previous Draw Amounts	\$ 2,694,204.54	
	Total Loan Disbursements	\$ 2,710,431.63	

DEBITS - BANK OF THE SAN JUANS RESERVE ACCOUNT			
Pueblo Conservancy District	Transfer to Operating Account	\$ 20,430.85	
Pueblo Conservancy District	Transfer to Draw Account	\$ -	
		\$ 20,430.85	