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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 September 30, 2019 and December 31, 2018, and the related statements of revenues and expenditures – general fund for the nine months ended September 30, 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.

McPherson, Goodrich, Proctor & Mitchell, P.C.

October 14, 2019

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
SEPTEMBER 30, 2019 AND DECEMBER 31, 2018

	<u>9/30/2019</u>	<u>12/31/2018</u>
ASSETS		
VECTRA BANK CHECKING	\$ 32,273	\$ 12,942
VECTRA BANK MONEY MARKET	11,913	11,932
BANK OF THE SAN JUANS DRAW	30,114	30,114
BANK OF THE SAN JUANS RESERVE ACCT	4,425,931	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>1,268,467</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 5,795,176</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>5,794,201</u>	<u>3,935,498</u>
 TOTAL FUND BALANCE	 <u>5,794,201</u>	 <u>3,935,498</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 5,795,176</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 NINE MONTHS ENDED SEPTEMBER 30, 2019
 AND THE YEAR ENDED DECEMBER 31, 2018

	<u>ACTUAL</u>		
	<u>CURRENT</u>	<u>YEAR</u>	<u>2018</u>
	<u>MONTH</u>	<u>TO DATE</u>	<u>ACTUAL</u>
REVENUES			
INTEREST INCOME			
COLOTRUST	\$ -	\$ 333	\$ 538
VECTRA BANK	1	9	7
BANK OF THE SAN JUANS	82	330	153
STIFEL NICOLAUS	26,793	41,191	5,540
STIFEL NICOLAUS 8700-0987	3,769	8,978	-
MORGAN STANLEY	-	2,562	16,797
UNREALIZED GAINS (LOSSES)	<u>(28,902)</u>	<u>(16,556)</u>	<u>(1,881)</u>
TOTAL INTEREST INCOME	1,743	36,847	21,154
MAINTENANCE FUND ASSESSMENT	18,553	1,747,852	1,762,392
18th STREET BRIDGE MURAL SPONSORSHIPS	-	-	1,200
OTHER INCOME	<u>-</u>	<u>8,000</u>	<u>1,001</u>
TOTAL REVENUES	\$ 20,296	\$ 1,792,699	\$ 1,785,747
EXPENDITURES			
80 LEGAL FEES	\$ 500	\$ 9,128	\$ 40,921
81 DIRECTORS FEES	1,800	16,200	21,675
83 ENGINEER/ADMINISTRATIVE	1,700	21,738	28,454
90A BOOKKEEPING & AUDIT PREP	7,475	11,950	10,095
90B AUDIT	-	-	12,074
92 INSURANCE/BONDS	-	859	2,386
96 OFFICE EXPENSE	177	2,617	1,935
97 OFFICE RENT/STORAGE	-	1,050	-
100 PROFESSIONAL FEES	-	-	17,676
103 TRAVEL	447	621	316
105 REPAIRS & MAINTENANCE	8,345	17,126	9,641
105A MAINTENANCE FUND ASSESSMENT	5,043	30,050	25,151
110 CAPITAL IMPROVEMENTS	2,071	24,175	-
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	9,164	2,858,772	1,096,150
112A HARP - O & M	-	10,000	10,000
112B HARP IGA CONTRIBUTION	-	50,000	50,000
113 CONSTRUCTION LOAN PAYMENT	<u>537,500</u>	<u>860,748</u>	<u>13,828,818</u>
TOTAL EXPENDITURES	<u>574,222</u>	<u>3,936,161</u>	<u>17,873,300</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (553,926)</u>	<u>\$ (2,143,462)</u>	<u>\$ (16,087,553)</u>
OTHER FINANCING SOURCES			
LOAN PROCEEDS	<u>16,277</u>	<u>4,000,471</u>	<u>19,212,996</u>
TOTAL OTHER FINANCING SOURCES	<u>16,277</u>	<u>4,000,471</u>	<u>19,212,996</u>
NET CHANGE IN FUND BALANCE	(537,649)	1,857,009	3,125,443
FUND BALANCE AT BEGINNING OF PERIOD	<u>6,331,850</u>	<u>3,937,192</u>	<u>810,055</u>
FUND BALANCE AT END OF PERIOD	<u>\$ 5,794,201</u>	<u>\$ 5,794,201</u>	<u>\$ 3,935,498</u>

SEE ACCOUNTANTS' COMPILATION REPORT

SUPPLEMENTARY INFORMATION

PUEBLO CONSERVANCY DISTRICT
YEAR TO DATE BUDGET COMPARISON
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

	9/30/2019 <u>ACTUAL</u>	2019 ANNUAL <u>BUDGET</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
INTEREST INCOME			
COLOTRUST	\$ 333	\$ -	\$ -
VECTRA BANK	9	-	-
BANK OF THE SAN JUANS	330	-	-
STIFEL NICOLAUS	41,191	-	-
STIFEL NICOLAUS 8700-0987	8,978	-	-
MORGAN STANLEY	2,562	-	-
UNREALIZED GAINS (LOSSES)	<u>(16,556)</u>	<u>-</u>	<u>-</u>
TOTAL INTEREST INCOME	36,847	6,500	(30,347)
MAINTENANCE FUND ASSESSMENT	1,747,852	1,700,000	(47,852)
LOAN PROCEEDS	4,000,471	4,000,000	(471)
OTHER INCOME	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
TOTAL REVENUES	\$ 5,793,170	\$ 5,706,500	\$ (86,670)
EXPENDITURES			
80 LEGAL FEES	\$ 9,128	\$ 10,000	\$ 872
81 DIRECTORS FEES	16,200	21,600	5,400
83 ENGINEER/ADMINISTRATIVE	21,738	20,400	(1,338)
90A BOOKKEEPING & AUDIT PREP	11,950	12,000	50
90B AUDIT	-	7,000	7,000
92 INSURANCE/BONDS	859	3,500	2,641
96 OFFICE EXPENSE	2,617	1,000	(1,617)
97 OFFICE RENT/STORAGE	1,050	1,050	-
100 PROFESSIONAL FEES	-	5,000	5,000
DOCUMENT PRESERVATION	-	2,000	2,000
103 TRAVEL	621	3,000	2,379
105 REPAIRS & MAINTENANCE	17,126	8,500	(8,626)
105A MAINTENANCE FUND ASSESSMENT	30,050	7,000	(23,050)
108 CONTINGENCIES	-	20,000	20,000
109 EMERGENCY REPAIR	-	15,000	15,000
110 CAPITAL IMPROVEMENTS	24,175	5,000	(19,175)
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	2,858,772	4,000,000	1,141,228
112A HARP - O & M	10,000	10,000	-
112B HARP IGA CONTRIBUTION	50,000	50,000	-
113 CONSTRUCTION LOAN PAYMENT	<u>860,748</u>	<u>1,400,000</u>	<u>539,252</u>
TOTAL EXPENDITURES	<u>3,936,161</u>	<u>5,647,050</u>	<u>1,710,889</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 1,857,009</u>	<u>\$ 59,450</u>	<u>\$ (1,797,559)</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT

SEPTEMBER 2019 - OCTOBER 2019

DEPOSITS - VECTRA BANK		
VENDOR	ITEM	AMOUNT
Stifel Nicolaus	Interest Payment	\$ 9,309.74
		\$ 9,309.74

DEPOSITS - BANK OF THE SAN JUANS RESERVE ACCOUNT		
Pueblo County	Maintenance Fund Assessment	\$ 6,086.77
		\$ 6,086.77

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	2240	90A
Don Banner - B&B, PC	Attorney Fees	\$ 500.00		80
	Legislative Changes	\$ 275.00		80
	Miscellaneous document reviews during the 3rd Quarter	\$ 825.00		80
	Web Site Update Coordination	\$ 150.00		80
	Scanning of Archived Minutes	\$ 232.50		96
	B&B, PC Subtotal	\$ 1,982.50	2231	
Kidd Engineering	Engineer/Admin Fees	\$ 1,700.00	2238	83
Director Bernard	Director Fees	\$ 200.00	2232	81
Director Cordova	Director Fees	\$ 200.00	2239	81
Director Koehler	Director Fees	\$ 200.00	2233	81
Director Maroney	Director Fees	\$ 200.00	2234	81
	Mileage - Fountain Creek Committees, 150 mi @\$0.58	\$ -	"	103
Director Martin	Director Fees	\$ 200.00	2237	81
Director O'Hara	Director Fees	\$ 200.00	2242	81

Director Phillips	Director Fees	\$ 200.00	2235	81
Director Serna	Director Fees	\$ 200.00	2243	81
Director Willumstad	Director Fees	\$ 200.00	2241	81
Garren, Ross and Denardo, Inc.	2018 Audit Report	\$ 6,153.10	2236	90B
	TOTAL OPERATING EXPENSES -- FUNDS TO BE TRANSFERRED FROM THE RESERVE ACCOUNT TO THE OPERATING ACCOUNT	\$ 12,110.60		

DEBITS - BANK OF THE SAN JUANS - CONSTRUCTION DRAW ACCOUNT

Kidd Engineering	ARKANSAS RIVER LEVEE: SEPTEMBER 22 THROUGH OCTOBER 19, 2019			
	Phase 6 Planning and Coordination with City of Pueblo	\$ -		110M
	Phase 6 CA/CO, meetings, etc.	\$ 155.00		110M
	Kidd Engineering Subtotal	\$ 155.00	1277	
NorthStar Engineering	ARKANSAS RIVER LEVEE: SEPTEMBER 22 THROUGH OCTOBER 19, 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	\$ 9,807.50		110M
	Reimbursable copies, mileage, etc.	\$ 107.50		110M

	Maintenance Assessment Support, Consultations, Artwork and Recreational Opportunities, CWCB Loan documents, Railroad Fencing, etc.	\$ 7,085.00		105A
	Reimbursable copies, etc.	\$ -		105A
	Maintenance and Artist Location Indexing and Mapping	\$ 1,200.00		110
	Fountain Creek Floodway Zone MFA Analysis	\$ 1,240.00		105A
	Reimbursable copies, etc.	\$ 170.00		105A
	NorthStar Subtotal	\$ 19,610.00	1278	
Dirt N Demo	1912, 1914, 1914.5 Demolition Work	\$ 10,073.44	1276	110D
The Pueblo Chieftain	Phase 5 Final Payment Advertisement	\$ 42.50	1279	110M
Banner and Bower, PC	Construction Loan Documents	\$ 400.00	1275	100
	TOTAL CONSTRUCTION EXPENSES -- FUNDS TO BE TRANSFERRED FROM THE DRAW ACCOUNT	\$ 30,280.94		

DEBITS - BANK OF THE SAN JUANS LOAN ACCOUNT				
Pueblo Conservancy District	Transfer to Draw Account	\$ 30,280.94		
		\$ 30,280.94		
	Previous Draw Amounts	\$ 2,710,431.63		
	Total Loan Disbursements	\$ 2,740,712.57		

DEBITS - BANK OF THE SAN JUANS RESERVE ACCOUNT				
Pueblo Conservancy District	Transfer to Operating Account	\$ 12,110.60		
Pueblo Conservancy District	Transfer to Draw Account	\$ -		
		\$ 12,110.60		