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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 December 31, 2019 and December 31, 2018, and the related statements of revenues and expenditures and changes in fund balance – general fund for the one month and twelve months ended December 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.

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

M. Pherson, Co-ordinator, Pueblo & Matanzas, P.

March 25, 2020

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

| | ACTUAL | | 2018 ACTUAL |
|--|---------------------|-----------------------|------------------------|
| | CURRENT MONTH | YEAR TO DATE | |
| REVENUES | | | |
| INVESTMENT INCOME | | | |
| COLOTRUST | \$ 284 | \$ 617 | \$ 538 |
| VECTRA BANK | 1 | 10 | 7 |
| BANK OF THE SAN JUANS | 36 | 441 | 148 |
| STIFEL NICOLAUS | 978 | 57,631 | 5,540 |
| MORGAN STANLEY | - | 2,561 | 16,797 |
| UNREALIZED GAINS (LOSSES) | (1,423) | (13,382) | (1,881) |
| TOTAL INVESTMENT INCOME | (124) | 47,878 | 21,149 |
| MAINTENANCE FUND ASSESSMENT | 9 | 1,761,615 | 1,762,392 |
| 18th STREET BRIDGE MURAL SPONSORSHIPS | - | - | 1,200 |
| OTHER INCOME | 500 | 31,758 | 1,001 |
| TOTAL REVENUES | 385 | \$ 1,841,251 | \$ 1,785,742 |
| EXPENDITURES | | | |
| 80 LEGAL FEES | 7,215 | \$ 18,593 | \$ 40,921 |
| 81 DIRECTORS FEES | 1,800 | 21,600 | 21,675 |
| 83 ENGINEER/ADMINISTRATIVE | 3,400 | 27,138 | 28,454 |
| 90A BOOKKEEPING & AUDIT PREP | 475 | 13,375 | 10,095 |
| 90B AUDIT | - | 6,153 | 12,074 |
| 92 INSURANCE/BONDS | 2,132 | 2,991 | 2,386 |
| 96 OFFICE EXPENSE | 16 | 2,309 | 1,935 |
| 97 OFFICE RENT/STORAGE | - | 1,050 | - |
| 100 PROFESSIONAL FEES | - | 400 | 17,676 |
| 103 TRAVEL | - | 708 | 316 |
| 105 REPAIRS & MAINTENANCE | 135 | 17,261 | 9,641 |
| 105A MAINTENANCE FUND ASSESSMENT | 2,868 | 44,620 | 25,151 |
| 110 CAPITAL IMPROVEMENTS | - | 25,375 | - |
| 110A CONTRACT ADMIN & OVERSIGHT | 4,264 | 10,618 | 11,657 |
| 110D ARKANSAS RIVER PHASE 2 | 37,213 | 47,286 | 2,000 |
| 110F ARKANSAS RIVER LEVEE CERTIFICATION | - | 14,230 | 10,955 |
| 110K ARKANSAS RIVER PHASE 4 | - | 543 | 2,693,396 |
| 110M LEVEE PHASE 5&6 DESIGN AND CONSTRUCTION | 722,600 | 3,607,393 | 1,096,150 |
| 110N PHASE 5 CONSTRUCTION | - | - | - |
| 112A HARP - O & M | - | 10,000 | 10,000 |
| 112B HARP IGA CONTRIBUTION | - | 50,000 | 50,000 |
| 113 CONSTRUCTION LOAN PAYMENT | - | 860,747 | 13,828,818 |
| TOTAL EXPENDITURES | 782,118 | 4,782,390 | 17,873,300 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ (781,734) | \$ (2,941,139) | \$ (16,087,558) |
| OTHER FINANCING SOURCES | | | |
| LOAN PROCEEDS | 740,698 | 4,790,566 | 19,212,995 |
| TOTAL OTHER FINANCING SOURCES | 740,698 | 4,790,566 | 19,212,995 |
| NET CHANGE IN FUND BALANCE | (41,035) | 1,849,427 | 3,125,437 |
| FUND BALANCE AT BEGINNING OF PERIOD | 5,825,960 | 3,935,498 | 810,055 |
| FUND BALANCE AT END OF PERIOD | \$ 5,784,925 | \$ 5,784,925 | \$ 3,935,492 |

SEE ACCOUNTANTS' COMPILATION REPORT

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

| | <u>12/31/2019</u> | <u>12/31/2018</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| VECTRA BANK CHECKING | \$ 44,461 | \$ 12,942 |
| VECTRA BANK MONEY MARKET | 11,906 | 11,932 |
| BANK OF THE SAN JUANS DRAW | 30,114 | 30,114 |
| BANK OF THE SAN JUANS RESERVE ACCT | 4,441,096 | 3,309,326 |
| COLOTRUST INVESTMENT | 26,762 | 26,145 |
| BANK OF THE SAN JUANS OPER | 150 | - |
| STIFEL NICOLAUS INVESTMENT | - | 259,137 |
| MORGAN STANLEY MUTUAL FUNDS | - | 983,508 |
| PREPAID EXPENSE | 315 | |
| STIFEL NICOLAUS MONEY MARKET 8700-0987 | 1,270,030 | 5 |
| Market Value Adjustment | (2,642) | - |
| TOTAL ASSETS | <u>\$ 5,822,192</u> | <u>\$ 4,633,109</u> |
| LIABILITIES AND FUND BALANCE | | |
| ACCOUNTS PAYABLE | \$ 37,267 | \$ 697,111 |
| BANK OVERDRAFT | - | 500 |
| TOTAL LIABILITIES | <u>37,267</u> | <u>697,611</u> |
| ASSIGNED FUND BALANCE | - | - |
| UNASSIGNED FUND BALANCE | <u>5,784,925</u> | <u>3,935,498</u> |
| TOTAL FUND BALANCE | <u>5,784,925</u> | <u>3,935,498</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 5,822,192</u> | <u>\$ 4,633,109</u> |

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SUPPLEMENTARY INFORMATION

PUEBLO CONSERVANCY DISTRICT
YEAR TO DATE BUDGET COMPARISON - GENERAL FUND
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2019

| | 12/31/2019 ACTUAL | 2019 ANNUAL BUDGET | VARIANCE FAVORABLE (UNFAVORABLE) |
|---|----------------------|--------------------------|--|
| REVENUES | | | |
| INVESTMENT INCOME | | | |
| COLOTRUST | \$ 617 | \$ - | \$ - |
| VECTRA BANK | 10 | - | - |
| BANK OF THE SAN JUANS | 441 | - | - |
| STIFEL NICOLAUS | 57,631 | - | - |
| MORGAN STANLEY | 2,561 | - | - |
| UNREALIZED GAINS (LOSSES) | <u>(13,382)</u> | <u>-</u> | <u>-</u> |
| TOTAL INVESTMENT INCOME | 47,878 | 6,500 | (41,378) |
| MAINTENANCE FUND ASSESSMENT | 1,761,615 | 1,700,000 | (61,615) |
| LOAN PROCEEDS | 4,790,566 | 4,000,000 | (790,566) |
| OTHER INCOME | <u>31,758</u> | <u>-</u> | <u>(31,758)</u> |
| TOTAL REVENUES | \$ 6,631,817 | \$ 5,706,500 | \$ (925,317) |
| EXPENDITURES | | | |
| 80 LEGAL FEES | \$ 18,593 | \$ 10,000 | \$ (8,593) |
| 81 DIRECTORS FEES | 21,600 | 21,600 | - |
| 83 ENGINEER/ADMINISTRATIVE | 27,138 | 20,400 | (6,738) |
| 90A BOOKKEEPING & AUDIT PREP | 13,375 | 12,000 | (1,375) |
| 90B AUDIT | 6,153 | 7,000 | 847 |
| 92 INSURANCE/BONDS | 2,991 | 3,500 | 509 |
| 96 OFFICE EXPENSE | 2,309 | 1,000 | (1,309) |
| 97 OFFICE RENT/STORAGE | 1,050 | 1,050 | - |
| 100 PROFESSIONAL FEES | 400 | 5,000 | 4,600 |
| DOCUMENT PRESERVATION | - | 2,000 | 2,000 |
| 103 TRAVEL | 708 | 3,000 | 2,292 |
| 105 REPAIRS & MAINTENANCE | 17,261 | 8,500 | (8,761) |
| 105A MAINTENANCE FUND ASSESSMENT | 44,620 | 7,000 | (37,620) |
| 108 CONTINGENCIES | - | 20,000 | 20,000 |
| 109 EMERGENCY REPAIR | - | 15,000 | 15,000 |
| 110 CAPITAL IMPROVEMENTS | 25,375 | 5,000 | (20,375) |
| 111 PLANNING & DEVELOPMENT | - | 10,000 | 10,000 |
| 110A CONTRACT ADMIN & OVERSIGHT | 10,618 | 20,000 | 9,382 |
| 110A.1 CONSTRUCTION PROG PROFESSIONAL FEE | - | 15,000 | 15,000 |
| 110D AKR PHASE 2 | 47,286 | - | - |
| 110F ARKANSAS RIVER LEVEE CERTIFICATION DESIGN &/OR CONSTRUCTION | 14,230 | - | (14,230) |
| 110K ARKANSAS RIVER PHASE 4 | 543 | - | (543) |
| 110M LEVEE PHASE 5&6 DESIGN AND CONSTRUCTION | 3,607,393 | 4,000,000 | 392,607 |
| 112A HARP - O & M | 10,000 | 10,000 | - |
| 112B HARP IGA CONTRIBUTION | 50,000 | 50,000 | - |
| 113 CONSTRUCTION LOAN PAYMENT | <u>860,747</u> | <u>1,400,000</u> | <u>539,253</u> |
| TOTAL EXPENDITURES | <u>4,782,390</u> | <u>5,647,050</u> | <u>864,660</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ 1,849,427</u> | <u>\$ 59,450</u> | <u>\$ (1,789,977)</u> |

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