

cPa DIXON, WALLER & CO., INC.

PURGATOIRE RIVER WATER

CONSERVANCY DISTRICT

TRINIDAD, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2017

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Office of the State Auditor

September 18, 2018

DIXON, WALLER & CO., INC.

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PURGATOIRE RIVER WATER

CONSERVANCY DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31, 2017

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Purgatoire River Water Conservancy District
Trinidad, Colorado 81082

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Purgatoire River Water Conservancy District, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Purgatoire River Water Conservancy District, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages i through v and 22 through 23 be presented to supplement the basic financial statements. Such 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Purgatoire River Water Conservancy District's basic financial statements. The individual fund schedules and other schedules are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The individual fund schedules and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules and other schedules are fairly stated, in all material respect, in relation to the basic financial statements as a whole.



Trinidad, Colorado
July 30, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Purgatoire River Water Conservancy District
Management Discussion and Analysis December 31 ,2017

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements. Please read it in conjunction with the District's financial statements.

The District's basic financial statements comprise three components.
Government-wide financial statements
Fund financial statements and
Notes to the financial statements

The report also contains required supplementary information and other fund schedules.

Government -wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private sector business. The statement of net position presents information on all of the District's assets ,deferred outflow of resources, liabilities and deferred inflow of resources, with the resulting difference reported as net position. Over time , increases or decreases in net position may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

The statement of activities present information showing how the District's net position changed during the reporting year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows.

Both of the government wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities).

The governmental activities of the District include: Repayment of the Federal Government, irrigation administration, operations and maintenance, and water distribution and recovery. The business- type activities of the District include the purchase of water, storage and sales.

The government- wide financial statements can be found on pages iii and iv of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District , like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District can be divided into two categories: Governmental Funds and Proprietary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government wide financial statements, governmental fund statements focus on near - term inflows and outflows of spendable resources, as well as the spendable resources available at year end. Such information may be useful in evaluating a government's near - term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information in the government-wide financial statements.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures ,and changes in in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund the General fund.

The District adopts an annual appropriated budget for it's General fund. A budget comparison has been provide in the financials to demonstrate compliance with the budget.

Proprietary funds

The District's water storage and sales are reported in the proprietary fund. The fund's focus is on overall economic position rather than year - end fund balances. Enterprises funds are the type of proprietary fund used to report the same functions presented in the business- type activities in the government-wide financial statements.

The District did not adopt a budget for the enterprise fund for the year ended December 31, 2017 , however a budget has been adopted for the year ended December 31, 2018.

Notes to the financial statements

The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Financial Highlights

The assets and deferred outflows of resources of the District exceeded the liabilities and deferred inflows at the close of the year by \$694,544. Of this amount \$613,446 is unrestricted and may be used to meet the District's ongoing obligation to citizens and creditors.

At the close of the current year, the District's governmental fund reported an ending fund balance of \$631,266 a decrease of \$71,611 in comparison to the prior year. Unassigned fund balance is \$603,521 and is available for spending at the District's discretion. The remaining fund is restricted for prepaid expenses and tabor reserves.

The District started the operation of an enterprise fund in the year ended December 31, 2017, at year end assets exceeded liabilities by \$7,200, resulting in an ending net position of \$7,200.

The District had no fixed asset additions in the year ended December 31,2017, however the District reported \$3,433 of depreciation expense in the government -wide financial statements. At year end District Fixed assets were \$72,279 with related accumulated depreciation of \$16,201.

Government - Wide Financial Analysis

The District has prepared it's financial report under the guidelines contained in GASB 34.

STATEMENT OF NET POSITION DECEMBER 31, 2017

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Cash and Equivalents	625,399	7,200	632,599
Accounts Receivable	18,680	0	18,680
Property Taxes Receivable	265,553	0	265,553
Prepaid Insurance	2,745	0	2,745
Accrued Interest	1,065	0	1,065
Fixed Assets	72,279	0	72,279
Accumulated Depreciation	(16,201)	0	(16,201)
<u>Total Assets</u>	<u>969,520</u>	<u>7,200</u>	<u>976,720</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
	0	0	0
<u>LIABILITIES</u>			
Accounts Payable	16,623	0	16,623
<u>Total Liabilities</u>	<u>16,623</u>	<u>0</u>	<u>16,623</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Unavailable Revenue- Property Taxes	265,553	0	265,553
<u>NET POSITION</u>			
Net Investment in Capital Assets	56,078	0	56,078
Restricted for:			
Tabor Reserve	25,000	0	25,000
Unrestricted	606,266	7,200	613,466
<u>Total Net Position</u>	<u>687,344</u>	<u>7,200</u>	<u>694,544</u>

The District reflects receivables (net where applicable of allowance for uncollectible).

The District uses capital assets to provide services and is reflected net of any related debt.

The District is required to restrict funds for Tabor reserve.

Unrestricted Net Position may be used to meet the District's ongoing obligation to citizens and creditors

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

	Governmental Activities	Business- Type Activities	Total
Revenues			
Program Revenues :			
Operating Grants & Contributions	84,695	0	84,695
Charges for Service	0	19,700	19,700
General Revenues:			
Property Taxes	263,382	0	263,382
Specific Ownership Taxes	43,753	0	43,753
Interest Revenue	4,110	0	4,110
Other Revenues	2,181	0	2,181
<u>Total Revenues</u>	<u>398,121</u>	<u>19,700</u>	<u>417,821</u>
Expenses:			
Irrigation Administration Expenses	473,165	0	473,165
Business Type Activity Expenses	0	12,500	12,500
<u>Total Expenses</u>	<u>473,165</u>	<u>12,500</u>	<u>485,665</u>
Change in Net Position	(75,044)	7,200	(67,844)
Net Position - Beginning	762,388	0	762,388
Net Position - Ending	687,344	7,200	694,544

For the year ended December 31, 2017 Governmental Activities expense exceeded revenues by \$75,044, for Business Type activities revenues exceeded expense by \$7,200

Governmental Funds with Comparisons

General Fund	Year Ended December 31		Variance
	2017	2016	Favorable (Unfavorable)
Revenues	398,121	415,080	(16,959)
Expenditures	469,732	420,591	(49,141)
Net Change in Fund Balances	(71,611)	(5,511)	
Fund Balances - Beginning	702,877	708,388	
Fund Balances - Ending	631,266	702,877	

Revenue was lower and expenditures were higher in 2017 then in 2016. Revenues were lower because the District did not receive any grant funds in 2017. The expenses increased primarily do to increased maintenance requirements.

Business- Type Funds with Comparisons

PRWCD Enterprise Fund

	Year Ended December 31		Variance
	2017	2016	Favorable (Unfavorable)
Revenues	19,700	0	19,700
Expenses	12,500	0	(12,500)
Change in Net Position	7,200	0	
Net Position - Beginning	0	0	
Net Position - Beginning	7,200	0	

The year ended December 31, 2017 was the first year of operations for the enterprise fund.

Request for Information

This financial report is designed to provide a general overview of Purgatoire River Water Conservancy District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Secretary of the Board, Thelma Lujan, 3590 east main street, Suite 3 , Trinidad ,CO 81082/ telephone (719) 846-7285.

BASIC FINANCIAL STATEMENTS

PURGATOIRE RIVER WATER CONSERVATION DISTRICT
STATEMENT OF NET POSITION
December 31, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Equivalents	625,399	7,200	632,599
Receivables (Net, where Applicable, of Allowance for Uncollectibles):			
Accounts	18,680	-	18,680
Property Taxes Receivable	265,553	-	265,553
Prepaid Insurance	2,745	-	2,745
Accrued Interest	1,065	-	1,065
Fixed Assets	72,279	-	72,279
Accumulated Depreciation	<u>(16,201)</u>	<u>-</u>	<u>(16,201)</u>
<u>Total Assets</u>	<u>969,520</u>	<u>7,200</u>	<u>976,720</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>			
	-	-	-
 <u>LIABILITIES</u>			
Accounts Payable	<u>16,623</u>	<u>-</u>	<u>16,623</u>
<u>Total Liabilities</u>	<u>16,623</u>	<u>-</u>	<u>16,623</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>			
Unavailable Revenue – Property Taxes	<u>265,553</u>	<u>-</u>	<u>265,553</u>
 <u>NET POSITION</u>			
Net Investment in Capital Assets	56,078	-	56,078
Restricted for:			
Tabor Reserve	25,000	-	25,000
Unrestricted	<u>606,266</u>	<u>7,200</u>	<u>613,466</u>
<u>Total Net Position</u>	<u>687,344</u>	<u>7,200</u>	<u>694,544</u>

The accompanying notes are an integral part of these financial statements.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- Type Activities	Total
<u>Governmental Activities</u>							
Irrigation Administration	473,165	-	84,695	-	(388,470)	-	(388,470)
<u>Total Governmental Activities</u>	<u>473,165</u>	<u>-</u>	<u>84,695</u>	<u>-</u>	<u>(388,470)</u>	<u>-</u>	<u>(388,470)</u>
<u>Business Type Activities</u>	<u>12,500</u>	<u>19,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,200</u>	<u>7,200</u>
<u>Total Primary Government</u>	<u>485,665</u>	<u>19,700</u>	<u>84,695</u>	<u>-</u>	<u>(388,470)</u>	<u>7,200</u>	<u>(381,270)</u>
<u>General Revenues:</u>							
Property Taxes				263,382	-		263,382
Specific Ownership Taxes				43,753	-		43,753
Interest Revenue				4,110	-		4,110
Other Revenues				<u>2,181</u>	<u>-</u>		<u>2,181</u>
<u>Total General Revenues and Transfers</u>				<u>313,426</u>	<u>-</u>		<u>313,426</u>
Change in Net Position				(75,044)	7,200		(67,844)
Net Position -- Beginning				<u>762,388</u>	<u>-</u>		<u>762,388</u>
Net Position -- Ending				<u>687,344</u>	<u>7,200</u>		<u>694,544</u>

The accompanying notes are an integral part of these financial statements.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS:</u>			
Cash and Equivalents	625,399	-	625,399
Receivables (Net, of Allowance Where Applicable):			
Accounts	18,680	-	18,680
Property Taxes Receivable	265,553	-	265,553
Prepaid Expense	2,745	-	2,745
Accrued Interest	<u>1,065</u>	<u>-</u>	<u>1,065</u>
<u>Total Assets</u>	<u>913,442</u>	<u>-</u>	<u>913,442</u>
 <u>LIABILITIES:</u>			
Accounts Payable	<u>16,623</u>	<u>-</u>	<u>16,623</u>
<u>Total Liabilities</u>	<u>16,623</u>	<u>-</u>	<u>16,623</u>
 <u>DEFERRED INFLOW OF RESOURCES:</u>			
Unavailable Revenue – Property Taxes	<u>265,553</u>	<u>-</u>	<u>265,553</u>
 <u>FUND BALANCES:</u>			
Nonspendable:			
Prepaid Expense	2,745	-	2,745
Restricted:			
Emergencies	25,000	-	25,000
Unassigned:	<u>603,521</u>	<u>-</u>	<u>603,521</u>
<u>Total Fund Balances</u>	<u>631,266</u>	<u>-</u>	<u>631,266</u>
 <u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>			
	<u>913,442</u>	<u>-</u>	<u>913,442</u>

The accompanying notes are an integral part of these financial statements.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2017

Amounts reported for governmental activities in the statement of the net position are different because:

<u>Total Fund Balance – Governmental Funds</u>	631,266
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$72,279 and the accumulated depreciation is \$16,201.	<u>56,078</u>
<u>Total Net Position – Governmental Activities</u>	<u>687,344</u>

The accompanying notes are an integral part of these financial statements.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	<u>General</u>
<u>REVENUES:</u>	
Taxes	307,135
Assessments	84,695
Charges for Services	-
Interest	4,110
Other	2,181
Grants	-
<u>Total Revenues</u>	<u>398,121</u>
 <u>EXPENDITURES:</u>	
Irrigation Administration	<u>469,732</u>
<u>Total Expenditures</u>	<u>469,732</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	 (71,611)
 <u>OTHER FINANCING SOURCES (USES):</u>	
Other	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>
 <u>NET CHANGE IN FUND BALANCES</u>	 (71,611)
 <u>FUND BALANCES – Beginning</u>	 <u>702,877</u>
 <u>FUND BALANCES - Ending</u>	 <u>631,266</u>

The accompanying notes are an integral part of these financial statements.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
 Year Ended December 31, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances – Total Governmental Funds (71,611)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$500 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays more than \$500	-	
Depreciation expense	(3,433)	(3,433)

Change in Net Position of Governmental Activities (75,044)

The accompanying notes are an integral part of these financial statements.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2017

	<u>Business Type Activities</u>	
	<u>Enterprise Funds</u>	<u>Totals</u>
	PRWCD	
	<u>Enterprise Fund</u>	
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash	7,200	7,200
Receivables:		
Accounts	-	-
<u>Total Current Assets</u>	<u>7,200</u>	<u>7,200</u>
 <u>TOTAL ASSETS</u>	 <u>7,200</u>	 <u>7,200</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
Other	-	-
 <u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	-	-
<u>Total Current Liabilities</u>	<u>-</u>	<u>-</u>
 <u>TOTAL LIABILITIES</u>	 <u>-</u>	 <u>-</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>		
Other	-	-
 <u>NET POSITION</u>		
Net Investment in Capital Assets	-	-
Unrestricted	7,200	7,200
<u>TOTAL NET POSITION</u>	<u>7,200</u>	<u>7,200</u>

The accompanying notes are an integral part of these financial statements.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2017

	<u>Business Type Activities</u>		<u>Totals</u>
	<u>Enterprise Funds</u>		
	PRWCD		
	<u>Enterprise Fund</u>		
<u>Operating Revenues</u>			
Water Storage and Sales	19,700		19,700
Other	-		-
<u>Total Operating Revenues</u>	<u>19,700</u>		<u>19,700</u>
<u>Operating Expenses</u>			
Water Storage and Purchases	12,500		12,500
Other	-		-
<u>Total Operating Expenses</u>	<u>12,500</u>		<u>12,500</u>
<u>Operating Income (Loss)</u>	<u>7,200</u>		<u>7,200</u>
<u>Non-Operating Revenues (Expenses)</u>			
Interest Revenue	-		-
Interest Expense	-		-
<u>Total Non-Operating Revenues (Expenses)</u>	<u>-</u>		<u>-</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>7,200</u>		<u>7,200</u>
<u>OPERATING TRANSFERS IN (OUT) (NET)</u>	<u>-</u>		<u>-</u>
<u>CHANGE IN NET POSITION</u>	7,200		7,200
<u>TOTAL NET POSITION, Beginning</u>	<u>-</u>		<u>-</u>
<u>TOTAL NET POSITION, Ending</u>	<u>7,200</u>		<u>7,200</u>

The accompanying notes are an integral part of these financial statements.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2017

	<u>Business Type Activities Enterprise Funds PRWCD Enterprise Fund</u>	<u>Totals</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from Customers & Users	19,700	19,700
Payments to Vendors – Water Purchases	<u>12,500</u>	<u>12,500</u>
<u>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</u>	<u>7,200</u>	<u>7,200</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Other Revenue	—	—
<u>NET CASH PROVIDED (USED BY) – NON CAPITAL FINANCING ACTIVITIES</u>	—	—
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Purchase of Property & Equipment	—	—
Capital Grants	—	—
<u>NET CASH PROVIDED (USED FOR) – CAPITAL AND RELATED FINANCING ACTIVITIES</u>	—	—
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	7,200	7,200
<u>CASH AND CASH EQUIVALENTS – Beginning</u>	—	—
<u>CASH AND CASH EQUIVALENTS – Ending</u>	<u>7,200</u>	<u>7,200</u>
<u>RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Operating Income (Loss)	7,200	7,200
Non Cash Items in Operations:		
Depreciation Expense	—	—
(Increase) Decrease in Receivables/Accruals	—	—
Increase (Decrease) in Payables/Accruals	—	—
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>7,200</u>	<u>7,200</u>
<u>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>		
Cash Paid for Income Tax	—	—
Cash Paid for Interest Expense	—	—
<u>TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>	<u>—</u>	<u>—</u>

The accompanying notes are an integral part of these financial statements.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Purgatoire River Water Conservancy District was formed on June 3, 1960, for the administration of the irrigation capacity in Trinidad Reservoir and the distribution of water to the District's irrigable area comprised of eleven existing independent irrigation systems.

A. Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14 (as amended by Statement No. 34, No. 39 and No. 61), "*The Financial Reporting Entity*" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This District is not included in any other governmental "reporting entity" as defined in GASB No. 14 and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units.

B. Government – Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the District's legally separate *component units* for which the District is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or identifiable activity. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of general government.

The District reports the following major proprietary funds:

The *PRWCD Enterprise Fund* accounts for the activities of the District's water storage, sales and purchase.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Equipment	5 - 20

E. Budgets and Budgetary Accounting

The District has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, a proposed operating budget for the fiscal year commencing the following January 1 is developed. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of an ordinance or resolution.
4. Budgets for the General Fund and Enterprise Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. All encumbrances lapse at the end of the year.

G. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. The costs of inventories are recorded as expenditures when they are used.

H. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefits Amounts

Accumulated unpaid vacation, sick pay, and other employee benefits amounts should be accrued when incurred in proprietary funds (using the accrual basis of accounting). Such amounts would not be accrued in governmental funds (using the modified accrual basis of accounting). Accrued vacation and sick leave payable would be reflected in the statement of net position for all governmental fund types.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Property Taxes

Property taxes represent ad valorem taxes levied by the District, which are payable to the County Treasurer, and are recognized as revenue by the District in the year for which they are levied.

Property taxes are levied in December for collection in the subsequent year.

Property taxes attach as an enforceable lien on property as of January 1. Taxes may be paid without penalty in either of two ways: (a) Full payment by April 30, or (b) First half must be paid by last day of February, and second half must be paid by June 15.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expense during the reporting period. Actual results could differ from those estimates.

K. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments. All investments of the District are certificates of deposit in the District's name. Investments are recorded at cost (the fair value at December 31, 2017).

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Directors (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The District's Committed Fund Balance is fund balance reporting required by the Board, either because of a Board Policy in the Board Policy Manual, or because of motions that passed at Board meetings.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. GASB Statement No. 54 (Continued)

Assigned Fund Balance Policy:

The District's Assigned Fund Balance is fund balance reporting occurring by Board authority, under the direction of the Chief Business Officer.

Order of Fund Balance Spending Policy:

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Fund Balance Classification by Fund:

	<u>General Fund</u>
<u>Nonspendable:</u>	
Prepaid Expense	2,745
<u>Restricted:</u>	
Emergencies	25,000
<u>Unassigned:</u>	<u>603,521</u>
<u>Total Fund Balances</u>	<u>631,266</u>

N. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 2 CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Assets Being Depreciated:				
Equipment	<u>72,279</u>	<u>—</u>	<u>—</u>	<u>72,279</u>
Total Capital Assets Being Depreciated	<u>72,279</u>	<u>—</u>	<u>—</u>	<u>72,279</u>
Less Accumulated Depreciation for:				
Equipment	<u>12,768</u>	<u>3,433</u>	<u>—</u>	<u>16,201</u>
Total Accumulated Depreciation	<u>12,768</u>	<u>3,433</u>	<u>—</u>	<u>16,201</u>
<u>Governmental Activities</u>				
<u>Capital Assets, Net</u>	<u>59,511</u>	<u>(3,433)</u>	<u>—</u>	<u>56,078</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

Irrigation Administration	<u>3,433</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>3,433</u>

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net change in fund balances – total government funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

NOTE 4 PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. Taxes may be paid without penalty in either of two ways: (a) Full payment by April 30, or (b) First half must be paid by last day of February, and second half must be paid by June 15.

NOTE 5 CONTRACT BETWEEN THE UNITED STATES AND THE PURGATOIRE RIVER WATER CONSERVANCY DISTRICT

The Purgatoire River Water Conservancy District acts as the administrative entity on behalf of irrigation ditch companies for the repayment of construction cost to the United States associated with the Trinidad Reservoir Project. Annual payments contingent upon water supply and price are assessed to the District by the United States; and the District, in turn, assesses the irrigation ditch companies. Annual payment requirements cannot exceed \$140,000 or be less than \$20,000 by agreement.

The total construction repayment requirement for the Trinidad Project is \$6,435,600 to be paid over a 70 year period. The District has paid \$1,868,789.32 during the 32 year period ending December 31, 2017, leaving a balance due of \$4,566,810.68 over the remaining 38 years of the repayment period.

NOTE 6 COMPENSATED ABSENCES

The District did not have any compensated absences payable as of December 31, 2017.

NOTE 7 INSURANCE

The Purgatoire River Water Conservancy District is covered by insurance that protects public officials and public employees in the amount of \$1,000,000 for liabilities that may occur.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 9 CASH AND DEPOSITS

The District's deposits (including investments in certificates of deposit) at year end were covered by Federal depository insurance or secured under the Public Deposit Protection Act of the State of Colorado, whereby the custodial bank pledges collateral for amounts on deposit in excess of the amount guaranteed by the FDIC for governmental entities.

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured	544,635	544,635
Uninsured, Collateralized		
Public Deposit Protection Act of the State of Colorado	77,139	109,354
<u>Sub-Total</u>	<u>621,774</u>	<u>653,989</u>
 Cash with County Treasurer	 10,825	
<u>Total Cash and Equivalents</u>	<u>632,599</u>	

Cash of \$25,000 is restricted as Emergency Reserves as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 10).

As presented above, deposits with a bank balance of \$109,354 and a carrying balance of \$77,139 as of December 31, 2017 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

NOTE 10 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 10 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS (Continued)

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1994 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires, with certain exceptions, voters approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits (and qualification as an Enterprise) will require judicial interpretation.

NOTE 11 BUDGET INFORMATION – POSSIBLE LAW VIOLATION

For the year ended December 31, 2017, the PRWCD Enterprise Fund did not adopt a budget. Therefore, the PRWCD Enterprise Fund had expenditures in excess of amounts budgeted of \$12,500.

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
General Property	265,521	265,521	263,382	(2,139)
Specific Ownership	45,000	45,000	43,753	(1,247)
Assessments				
Operations and Maintenance	80,000	80,000	64,476	(15,524)
Construction Repayments	80,000	80,000	20,219	(59,781)
Charges for Services				
Rent	6,000	6,000	-	(6,000)
Miscellaneous				
Grants	30,000	30,000	-	(30,000)
Project & Satellite Maintenance	-	-	-	-
Earnings on Investments	3,000	3,000	4,110	1,110
Other	<u>3,000</u>	<u>3,000</u>	<u>2,181</u>	<u>(819)</u>
TOTAL REVENUES	<u>512,521</u>	<u>512,521</u>	<u>398,121</u>	<u>(114,400)</u>
EXPENDITURES				
<u>Irrigation Administration</u>				
<u>Administration</u>				
Office	22,000	22,000	12,991	9,009
Insurance	12,000	12,000	10,011	1,989
Directors and Travel	18,200	18,200	17,360	840
Administrative Cost	6,000	6,000	1,600	4,400
Treasurer's Fee	<u>6,000</u>	<u>6,000</u>	<u>5,117</u>	<u>883</u>
<u>Total</u>	<u>64,200</u>	<u>64,200</u>	<u>47,079</u>	<u>17,121</u>
<u>Personnel</u>				
Administrative Salary	41,015	41,015	41,015	-
Payroll Taxes	<u>4,000</u>	<u>4,000</u>	<u>3,255</u>	<u>745</u>
<u>Total</u>	<u>45,015</u>	<u>45,015</u>	<u>44,270</u>	<u>745</u>
<u>Operations</u>				
Professional Fees	135,000	135,000	121,958	13,042
Operations & Maintenance Contract	190,000	190,000	174,476	15,524
Construction Repayments	85,000	85,000	20,219	64,781
Project & Satellite Maintenance	106,000	106,000	61,730	44,270
Capital Outlay	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
<u>Total</u>	<u>531,000</u>	<u>531,000</u>	<u>378,383</u>	<u>152,617</u>
<u>Contingency</u>				
Contingencies & Reserves	<u>536,295</u>	<u>536,295</u>	<u>-</u>	<u>536,295</u>
TOTAL EXPENDITURES	<u>1,176,510</u>	<u>1,176,510</u>	<u>469,732</u>	<u>706,778</u>

The accompanying notes are an integral part of these financial statements.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	(663,989)	(663,989)	(71,611)	
<u>OTHER FINANCING SOURCES (USES)</u>				
Other	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	-	-	-	-
<u>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</u>	(663,989)	(663,989)	(71,611)	
<u>FUND BALANCE, January 1</u>	663,989	663,989	702,877	
<u>FUND BALANCE, December 31</u>	-	-	631,266	

The accompanying notes are an integral part of these financial statements.

INDIVIDUAL FUND SCHEDULES AND OTHER SCHEDULES

ENTERPRISE FUND – BUDGET SCHEDULE

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
 PRWCD ENTERPRISE FUND
 SCHEDULE OF REVENUES, EXPENSE AND CHANGE IN NET POSITION
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Water Storage and Sales	-	-	19,700	19,700
Other	-	-	-	-
<u>Total Revenues</u>	<u>-</u>	<u>-</u>	<u>19,700</u>	<u>19,700</u>
<u>EXPENSES</u>				
Water Storage and Purchases	-	-	12,500	(12,500)
Other	-	-	-	-
<u>Total Expenses</u>	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>(12,500)</u>
<u>NET INCOME (LOSS)</u>	<u>-</u>	<u>-</u>	<u>7,200</u>	
<u>NET POSITION, Beginning</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>BUDGETARY BASIS – NET POSITION</u>	<u>-</u>	<u>-</u>	<u>7,200</u>	
<u>BUDGETARY ITEMS AFFECTING NET POSITION</u>				
Capital Outlay			-	
Depreciation			-	
<u>NET POSITION, Ending</u>			<u>7,200</u>	

The accompanying notes are an integral part of these financial statements.

OTHER SCHEDULES

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
GENERAL FUND
COMPARATIVE BALANCE SHEET
December 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash in Bank	105,043	169,202
Cash with County Treasurer	10,825	7,129
Certificates of Deposit	509,531	506,167
Accounts Receivable	18,680	19,371
Property Taxes Receivable	265,553	265,521
Accrued Interest Receivable	1,065	560
Prepaid Insurance	<u>2,745</u>	<u>2,908</u>
<u>Total Assets</u>	<u>913,442</u>	<u>970,858</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
<u>Liabilities</u>		
Accounts Payable	<u>16,623</u>	<u>2,460</u>
<u>Total Liabilities</u>	<u>16,623</u>	<u>2,460</u>
 <u>Deferred Inflow of Resources</u>		
Unavailable Revenue – Property Taxes	<u>265,553</u>	<u>265,521</u>
 <u>Fund Equity</u>		
Fund Balances:		
Nonspendable:		
Prepaid Expense	2,745	2,908
Restricted:		
Emergencies	25,000	25,000
Unassigned	<u>603,521</u>	<u>674,969</u>
<u>Total Fund Equity</u>	<u>631,266</u>	<u>702,877</u>
 <u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY</u>		
	<u>913,442</u>	<u>970,858</u>

The accompanying notes are an integral part of these financial statements.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED 2016)
For the Year Ended December 31, 2017

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	2016 <u>Actual</u>
<u>REVENUES</u>				
Taxes				
General Property	265,521	263,382	(2,139)	263,332
Specific Ownership	45,000	43,753	(1,247)	40,761
Assessments				
Operations and Maintenance	80,000	64,476	(15,524)	64,476
Construction Repayments	80,000	20,219	(59,781)	35,675
Charges for Services				
Rent	6,000	-	(6,000)	5,800
Miscellaneous				
Grants	30,000	-	(30,000)	-
Project & Satellite Maintenance	-	-	-	-
Earnings on Investments	3,000	4,110	1,110	2,978
Other	<u>3,000</u>	<u>2,181</u>	<u>(819)</u>	<u>2,058</u>
<u>TOTAL REVENUES</u>	<u>512,521</u>	<u>398,121</u>	<u>(114,400)</u>	<u>415,080</u>
<u>EXPENDITURES</u>				
<u>Irrigation Administration</u>				
<u>Administration</u>				
Office	22,000	12,991	9,009	18,882
Insurance	12,000	10,011	1,989	9,988
Directors and Travel	18,200	17,360	840	17,910
Administrative Cost	6,000	1,600	4,400	2,574
Treasurer's Fee	<u>6,000</u>	<u>5,117</u>	<u>883</u>	<u>5,118</u>
<u>Total</u>	<u>64,200</u>	<u>47,079</u>	<u>17,121</u>	<u>54,472</u>
<u>Personnel</u>				
Administrative Salary	41,015	41,015	-	39,438
Payroll Taxes	<u>4,000</u>	<u>3,255</u>	<u>745</u>	<u>3,135</u>
<u>Total</u>	<u>45,015</u>	<u>44,270</u>	<u>745</u>	<u>42,573</u>
<u>Operations</u>				
Professional Fees	135,000	121,958	13,042	108,395
Operations & Maintenance Contract	190,000	174,476	15,524	174,476
Construction Repayments	85,000	20,219	64,781	35,675
Project & Satellite Maintenance	106,000	61,730	44,270	5,000
Capital Outlay	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
<u>Total</u>	<u>531,000</u>	<u>378,383</u>	<u>152,617</u>	<u>323,546</u>
<u>Contingency</u>				
Contingencies & Reserves	<u>536,295</u>	<u>-</u>	<u>536,295</u>	<u>-</u>
<u>TOTAL EXPENDITURES</u>	<u>1,176,510</u>	<u>469,732</u>	<u>706,778</u>	<u>420,591</u>

The accompanying notes are an integral part of these financial statements.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED 2016)
For the Year Ended December 31, 2017

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	2016 <u>Actual</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	(663,989)	(71,611)		(5,511)
<u>OTHER FINANCING SOURCES (USES)</u>				
Other	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	-	-	-	-
<u>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</u>	(663,989)	(71,611)		(5,511)
<u>FUND BALANCE, January 1</u>	663,989	702,877		708,388
<u>FUND BALANCE, December 31</u>	-	631,266		702,877

The accompanying notes are an integral part of these financial statements.