

Upper Gunnison River Water Conservancy District
Financial Statements
December 31, 2017

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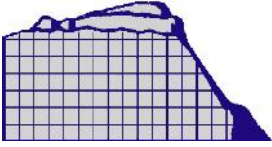
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July 18, 2018

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Paul D. Miller CPA, LLC.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Upper Gunnison River Conservancy District
Glenwood Springs, Colorado

I have audited the accompanying financial statements of the governmental activities and business-type activities of Upper Gunnison River 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the Upper Gunnison River Conservancy District, as of December 31, 2017, and the respective changes in financial position and, 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 information and the actual to budget schedules on pages 3-10 and 27 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Upper Gunnison River Conservancy District's financial statements taken as a whole. The budgetary comparison information on page 28 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepared the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Paul D. Miller, CPA, LLC

Grand Junction, CO
April 6, 2018

Upper Gunnison River Water Conservancy District Management's Discussion and Analysis

As management of the Upper Gunnison River Water Conservancy District, (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the District.

General Background

The Upper Gunnison River Water Conservancy District was formed pursuant to the Colorado Water Conservancy Act, Sections 37-45-101 et seq., C.R.S. The original organizational decree was entered June 1, 1959, with reorganization decrees entered in October 1991 and November 2011. The District boundaries include all of the Upper Gunnison River basin drainage, which is made up of the majority of Gunnison County and portions of Hinsdale and Saguache Counties. The Water Conservancy Act gives the District fairly broad powers. The District can appropriate water, litigate, enter into contracts, hold real property, operate projects, and perform other functions as needed to meet the present and future water needs of the District. The 2011 reorganization shifted a boundary line between Divisions 4 and 5 and added a second director to Division 5 based on the 2010 U.S. Census data. This resulted in a temporary increase from eleven to twelve directors. When a vacancy subsequently arose in Division 8, City of Gunnison, the number of directors in that division decreased from four to three and the total number of directors reverted to eleven.

The District's mission is to be an active leader in all issues affecting the water resources of the Upper Gunnison River Basin.

An eleven-member Board of Directors governs the District. Each member of the Board of Directors serves a four-year term. The terms are staggered with no more than four seats open in any given year. The Board utilizes committees to assist in resolving specific issues affecting the District. Regular meetings of the Board are generally held on the fourth Monday of each month. The Board also holds special meetings and work sessions as necessary.

A staff of four, consisting of a general manager, office manager, administrative assistant, and general counsel, along with contracted engineering consultants, carries out the activities of the District as directed by the Board.

FINANCIAL HIGHLIGHTS

-) The District's assets exceeded its liabilities by \$5,695,651 (i.e. net position) as of December 31, 2017, a decrease of \$321,183 in comparison to the prior year.
-) The District's Net Position for the General Fund was \$4,685,121, a decrease of \$319,790 in comparison to the prior year.
-) General property taxes totaled \$1,072,241 or 90% of general revenues.

Upper Gunnison River Water Conservancy District
Management's Discussion and Analysis

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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 a private-sector business.

The **statement of net position** presents information on all the District's assets and liabilities, with the difference between the two being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The **statement of activities** presents information showing how the District's Net Position changed during the most recent fiscal 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 related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

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 costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the District include general government administration. The Business-type Activities of the District include the following water enterprise fund.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The District's funds 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 financial statements focus on *short-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. The accounting method is called *modified accrual* accounting.

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

Upper Gunnison River Water Conservancy District
Management's Discussion and Analysis

Governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes 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. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund.

Proprietary Funds – The District maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The District uses a separate enterprise fund to account for its utility fund: Water Enterprise Fund.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the District's financial position. For the year ended December 31, 2017, the District's combined assets exceeded liabilities by \$5,695,651. Of this amount, \$4,084,096 is unrestricted and available to meet the District's ongoing financial obligations.

A portion of Net Position is the investment in capital assets (net of related debt) of \$1,561,679 (27% of Net Position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, dams, reservoirs, and office equipment) less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

Upper Gunnison River Water Conservancy District
Management's Discussion and Analysis

The following table summarizes the District's governmental and business-type Net Position for 2016 and 2017:

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	\$ 3,621,696	\$ 4,303,285	\$ 75,722	\$ 73,867	\$ 3,697,418	\$ 4,377,152
Capital assets	619,949	621,962	1,016,730	1,019,959	1,636,679	1,641,921
Long-term Investments	1,600,596	1,182,728	-	-	1,600,596	1,182,728
Total assets	<u>5,842,241</u>	<u>6,107,975</u>	<u>1,092,452</u>	<u>1,093,826</u>	<u>6,934,693</u>	<u>7,201,801</u>
Current Liabilities	36,301	39,328	6,922	6,903	43,223	46,231
Non-current liabilities						
Compensated absences	45,529	31,616				
Loans payable	-	-	75,000	75,000	75,000	75,000
Total liabilities	<u>81,830</u>	<u>70,944</u>	<u>81,922</u>	<u>81,903</u>	<u>118,223</u>	<u>121,231</u>
Deferred Inflow of Resources						
Property taxes	<u>1,075,290</u>	<u>1,032,120</u>	<u>-</u>	<u>-</u>	<u>1,075,290</u>	<u>1,032,120</u>
Net Position						
Investment in capital assets, net of related debt	619,949	621,962	941,730	944,959	1,561,679	1,566,921
Restricted	49,876	34,000	-	-	49,876	34,000
Unrestricted	4,015,296	4,348,949	68,800	66,964	4,084,096	4,415,913
Total net position	<u>\$ 4,685,121</u>	<u>\$ 5,004,911</u>	<u>\$ 1,010,530</u>	<u>\$ 1,011,923</u>	<u>\$ 5,695,651</u>	<u>\$ 6,016,834</u>

An additional portion of net position, \$49,876, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$4,084,096 (70% of Net Position), may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

Governmental and business-type activities decreased the District's Net Position by \$321,183 in 2017.

Upper Gunnison River Water Conservancy District
Management's Discussion and Analysis

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2016	2015
Revenues						
Program revenues						
Charges for services	\$ 216,656	\$ 255,938	\$ 30,943	\$ 93,981	\$ 247,599	\$ 349,919
General Revenues						
Taxes	1,136,284	1,116,065	-	-	1,136,284	1,116,065
Miscellaneous	400	588	40	32	440	620
Interest income	45,840	15,720	25	19	45,865	15,739
Lake San Cristobal	-	-	-	-	-	-
Totals	1,399,180	1,388,311	31,008	94,032	1,430,188	1,482,343
Expenses						
Salaries & Benefits	490,119	477,364	22,989	22,309	513,108	499,673
Public Outreach	31,368	24,082	-	-	31,368	24,082
Legal & Accounting	5,224	5,583	244	261	5,468	5,844
Occupancy Expenses	15,121	9,605	704	476	15,825	10,081
Bonding & Insurance	8,784	8,541	951	888	9,735	9,429
Office Expense	73,951	60,883	2,262	1,570	76,213	62,453
Board of Directors Expenses	11,581	14,039	541	513	12,122	14,552
Board of Directors Fees	5,430	5,300	-	-	5,430	5,300
General & administrative	38,321	31,943	1,201	1,130	39,522	33,073
Membership & Dues	5,347	3,580	-	-	5,347	3,580
Stream Monitoring	95,840	94,884	-	-	95,840	94,884
Water Workshop	5,000	5,000	-	-	5,000	5,000
Taylor Park Project	6,377	6,377	-	-	6,377	6,377
Basin Planning & Development	489,155	48,493	-	-	489,155	48,493
Fish Recovery Program	3,000	3,000	-	-	3,000	3,000
Water Costs & Supply Program	207,573	157,244	-	-	207,573	157,244
Lake San Cristobal	14,224	14,247	-	-	14,224	14,247
Cloud Seeding Program	179,646	227,748	-	-	179,646	227,748
Repairs & Maintenance	-	-	280	555	280	555
Interest Expense	-	-	-	1,518	-	1,518
Depreciation Expense	-	-	3,229	3,229	3,229	3,229
Capital outlay	16,983	3,101	-	-	16,983	3,101
Total Expenses	1,703,044	1,201,014	32,401	32,449	1,735,445	1,233,463
Increase in net assets	(303,864)	187,297	(1,393)	61,583	(305,257)	248,880
Beginning	4,414,565	4,227,268	1,011,923	950,340	5,426,488	5,177,608
Ending	\$ 4,110,701	\$ 4,414,565	\$ 1,010,530	\$ 1,011,923	\$ 5,121,231	\$ 5,426,488

Upper Gunnison River Water Conservancy District
Management's Discussion and Analysis

Business-type Activities

Business-type activities for the year resulted in a decrease in Net Position of \$1,393. Charges for services accounted for 100% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved net position may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The District has one governmental fund, the General Fund, which is the primary operating fund for the District. At the end of 2017, unassigned net position of the General Fund was \$4,043,153, while the total fund balance was \$4,110,701. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned net position and total net position to total fund expenditures. The net position of the District's General Fund decreased by \$303,864 during 2017.

Proprietary funds. The District's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The District has one enterprise fund: Water Enterprise Fund. At the end of 2017, the fund represented the following net position amounts:

Fund:	Water
Unrestricted net position	\$ 68,800
Total net position	\$ 941,730
Decrease in net position	\$ 1,393

GENERAL FUND BUDGETARY HIGHLIGHTS

The District budgeted \$1,780,896 for 2017 expenditures. Actual expenditures were \$1,703,044. There was no amendment to the original budget for the General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

The District's investment in capital assets for its governmental and business-type activities as of December 31, 2017, was \$1,636,679.

Upper Gunnison River Water Conservancy District
Management's Discussion and Analysis

	Balance 12/31/2016	Increase	Decrease	Balance 12/31/2017
<u>Governmental Funds</u>				
Buildling and Land	\$ 731,871	\$ -	\$ -	\$ 731,871
Office Equipment	29,966	16,983	15,129	31,820
Less Accumulated Depreciation	(139,876)	(18,995)	15,129	(143,742)
Net Governmental Capital Assets	<u>\$ 621,961</u>	<u>\$ (2,012)</u>	<u>\$ -</u>	<u>\$ 619,949</u>
<u>Business-type Activities</u>				
Asset not being depreciated	<u>\$ 942,457</u>			<u>\$ 942,457</u>
Asset being depreciated				
Dam Rehabilitation	113,024	-	-	113,024
Less Accumulated Depreciation	(35,522)	(3,229)	-	(38,751)
Net Depreciable Capital Assets	<u>77,502</u>	<u>(3,229)</u>	<u>-</u>	<u>74,273</u>
Total Business-type Capital Assets	<u>\$1,019,959</u>	<u>\$ (3,229)</u>	<u>\$ -</u>	<u>\$ 1,016,730</u>

Economic Factors and Next Year's Budget

The economy of the region comprising the District is slowly recovering from adverse economic conditions affecting most of the rest of the country. Property values are gradually rising across the region. District management believes that the next round of county assessments will show increased valuation, and thus increased revenue for a given mill levy.

The budget for 2017 closely follows that of 2016. In 2017, the District continued to address potential curtailment of water rights associated either with physical shortages or by calls from downstream senior rights.

The Aspinall Unit augmentation water is available via third-party contracts pursuant to the District's 40-year contract with the Bureau of Reclamation. The District, through its Water Activity Enterprise, has recouped the acquisition and rehabilitation costs incurred in 2006 with the purchase of Meridian Lake Reservoir. The District, in conjunction with Hinsdale County and the Town of Lake City, has formed the Lake San Cristobal Water Activity Enterprise which has constructed an outlet structure at Lake San Cristobal. This structure will provide augmentation for the Lake Fork of the Gunnison River basin, as well for portions of a number of other drainages in the District. The staff and legal counsel will continue to work with the Division of Water Resources on administrative issues and cooperate with other entities to minimize the impact of downstream senior water rights. Staff and counsel will also work with owners of water rights under consideration for abandonment by the Division of Water Resources.

Upper Gunnison River Water Conservancy District
Management's Discussion and Analysis

The conditional portion of the Taylor Park Reservoir Second Fill storage right has been made absolute. The District will continue to monitor the activities of the General Assembly and agencies of the Executive Branch of the State of Colorado. The District will continue to coordinate the basin wide water quality monitoring program and will continue its participation in the state-level discussions regarding proposed changes to water quality basic standards.

Request for Information

The financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to General Manager, Upper Gunnison River Water Conservancy District, 210 West Spencer Avenue, Suite B, Gunnison, CO. 81230 or 970-641-6065, 970-641-1162 (fax), fkugel@ugrwcd.org.

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Government-Wide
Statement of Net Position
December 31, 2017

	Primary Government		
	Governmental Activities	Business Type Activities	Totals
Assets			
Current Assets:			
Cash & equivalents	\$ 103,484	\$ 38,115	\$ 141,599
Certificates of deposits	1,209,935	-	1,209,935
Investments-ColoTrust	1,061,073	37,607	1,098,680
Loans receivable	75,000	-	75,000
Accounts receivable	60,328	-	60,328
Due from other Governments	7,763	-	7,763
Property taxes Receivable	1,075,290	-	1,075,290
Accrued Interest Receivable	11,151	-	11,151
Prepaid expenses	17,672	-	17,672
Total Current Assets	<u>3,621,696</u>	<u>75,722</u>	<u>3,697,418</u>
Long-term Investments:			
Bonds	<u>1,600,596</u>	-	<u>1,600,596</u>
Capital Assets:			
Office equipment	31,820	-	31,820
Office building & land	731,871	-	731,871
Dam rehabilitation	-	113,024	113,024
Meridian Lake Reservoir	-	942,457	942,457
Less accumulated depreciation	<u>(143,742)</u>	<u>(38,751)</u>	<u>(182,493)</u>
Net Capital Assets	<u>619,949</u>	<u>1,016,730</u>	<u>1,636,679</u>
TOTAL ASSETS	<u>5,842,241</u>	<u>1,092,452</u>	<u>6,934,693</u>
Liabilities			
Accounts payable	36,301	6,922	43,223
Noncurrent Liabilities:			
Compensated absences	45,529	-	45,529
Due within one year	-	75,000	75,000
TOTAL LIABILITIES	<u>81,830</u>	<u>81,922</u>	<u>163,752</u>
Deferred Inflow of Resources			
Property taxes	<u>1,075,290</u>	-	<u>1,075,290</u>
Net Position			
Investment in capital assets	619,949	941,730	1,561,679
Restricted for TABOR reserve	49,876	-	49,876
Unrestricted	4,015,296	68,800	4,084,096
TOTAL NET POSITION	<u>\$ 4,685,121</u>	<u>\$ 1,010,530</u>	<u>\$ 5,695,651</u>

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

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Government-Wide
Statement of Activities
December 31, 2017

	Primary Government		
	Governmental Activities	Business Type Activities	Totals
Expenses Programs			
Salaries & Benefits	\$ 504,033	\$ 22,989	\$ 527,022
Public Outreach	31,368	-	31,368
Legal & Accounting	5,224	244	5,468
Occupancy Expenses	15,121	704	15,825
Bonding & Insurance	8,784	951	9,735
Office Expense	73,951	2,262	76,213
Board of Directors Expenses	11,581	541	12,122
Board of Directors Fees	5,430	-	5,430
General & administrative	38,321	1,201	39,522
Membership & Dues	5,347	-	5,347
Stream Monitoring	95,840	-	95,840
Water Workshop	5,000	-	5,000
Taylor Park Project	6,377	-	6,377
Basin Planning & Development	489,155	-	489,155
Fish Recovery Program	3,000	-	3,000
Water Costs & Supply Program	207,573	-	207,573
Cloud Seeding Program	179,646	-	179,646
Lake San Cristobal	14,224	-	14,224
Repairs & Maintenance	-	280	280
Depreciation Expense	18,995	3,229	22,224
TOTAL PROGRAM EXPENSES	<u>1,718,970</u>	<u>32,401</u>	<u>1,751,371</u>
Program Revenue			
Basin implementation plan-passed through	100,299	-	100,299
Cloud Seeding Program	77,966	-	77,966
Charges for services	38,391	30,943	69,334
Total Program Revenue	<u>216,656</u>	<u>30,943</u>	<u>247,599</u>
NET PROGRAM REVENUE(EXPENSES)	<u>(1,502,314)</u>	<u>(1,458)</u>	<u>(1,503,772)</u>
General Revenues			
Property taxes	1,072,241	-	1,072,241
Specific Ownership taxes	64,043	-	64,043
Interest on deposits and investments	45,840	40	45,880
Miscellaneous	400	25	425
TOTAL GENERAL REVENUES	<u>1,182,524</u>	<u>65</u>	<u>1,182,589</u>
Change in Net Position	(319,790)	(1,393)	(321,183)
Net Position - January 1	5,004,911	1,011,923	6,016,834
Net Position - December 31	<u>\$ 4,685,121</u>	<u>\$ 1,010,530</u>	<u>\$ 5,695,651</u>

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

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
 Balance Sheet - General Fund
 December 31, 2017

Assets

Current Assets:

Cash & equivalents	\$ 103,484
Certificates of deposits	1,209,935
Investment-ColoTrust	1,061,073
Loans receivable	75,000
Accounts receivable	60,328
Due from other Governments	7,763
Property taxes receivable	1,075,290
Accrued interest receivable	11,151
Prepaid expense	<u>17,672</u>
Total Current Assets	<u>3,621,696</u>

Long-term investments:

Bonds	<u>1,600,596</u>
TOTAL ASSETS	<u><u>5,222,292</u></u>

Liabilities

Accounts payable	<u>36,301</u>
TOTAL LIABILITIES	<u><u>36,301</u></u>

Deferred Inflow of Resources

Property taxes	<u>1,075,290</u>
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Net Position

Restricted for TABOR reserve	49,876
Nonspendable	17,672
Unassigned	<u>4,043,153</u>
TOTAL NET POSITION	<u><u>\$ 4,110,701</u></u>

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

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Reconciliation of the Governmental Net Position to
the Statement of Net Position
December 31, 2017

Total Governmental Net Position \$ 4,110,701

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

Capital assets used in governmental activities are not financial resources and,
therefore are not reported as assets in the governmental funds. 619,949

Long-term liabilities for compensated absences are not due and payable in
the current period and therefore are not reported as expenditures in the funds. (45,529)

Net position of Governmental Activities. \$ 4,685,121

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

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Statement of Revenues, Expenditures and Change in Net Position - General Fund
For the Year Ended December 31, 2017

Revenues

Taxes	\$ 1,136,284
Charges for services	38,391
Interest on deposits and investments	45,840
Basin implementation plan	100,299
Cloud seeding program	77,966
Miscellaneous	400
TOTAL REVENUES	1,399,180

Expenditures

Current:	
Salaries & Benefits	490,119
Public Outreach	31,368
Legal & Accounting	5,224
Occupancy Expenses	15,121
Bonding & Insurance	8,784
Office Expense	73,951
Board of Directors Expenses	11,581
Board of Directors Fees	5,430
General & Administrative	38,321
Membership & Dues	5,347
Stream Monitoring	95,840
Water Workshop	5,000
Taylor Park Project	6,377
Basin Planning & Development	489,155
Fish Recovery Program	3,000
Water Costs & Supply Program	207,573
Lake San Cristobal	14,224
Cloud seeding program	179,646
Capital Outlay	16,983
TOTAL EXPENDITURES	1,703,044

NET CHANGE IN NET POSITION (303,864)

Net Position January 1 4,414,565

Net Position December 31 \$ 4,110,701

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

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
 Reconciliation of the Governmental Net Position to
 the Statement of Net Position
 December 31, 2017

Net Change in Net Position - Governmental Fund

Amounts reported for governmental activities in the statement of activities are different because: \$ (303,864)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount by which capital outlays exceeded depreciation in the current period.

Fixed assets added during year	\$ 16,983	
Depreciation	(18,995)	(2,012)

Expenses for compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds (13,914)

Change in Net Position of Governmental Activities \$ (319,790)

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

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Statement of Net Position
Enterprise Fund
December 31, 2017

	Water Enterprise Fund
Assets	
Current Assets:	
Cash & equivalents	\$ 38,115
Investments-ColoTrust	37,607
Total Current Assets	75,722
Capital Assets:	
Meridian Lake Reservoir	942,457
Dam Rehabilitation	113,024
Less Accumulated Depreciation	(38,751)
Net Capital Assets	1,016,730
Total Assets	1,092,452
Liabilities	
Current Liabilities	
Accounts payable	6,922
Operating Loan	75,000
Total Current Liabilities	81,922
Net Position	
Invested in Capital Assets, Net of Related Debt	941,730
Unrestricted	68,800
Total Net Position	\$ 1,010,530

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

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Statement of Revenues, Expenses and Change in Net Position
Enterprise Fund
For The Year Ended December 31, 2017

	Water Enterprise Fund
Operating Revenues:	
Charges for Services	30,943
Total Operating Revenue	30,943
Operating Expenses:	
Salaries & Benefits	22,989
Accounting & Legal	244
Occupancy Expenses	704
Bonding & Insurance	951
Office Expenses	2,262
General & Administrative	1,201
Board Expenses	541
Repairs & maintenance	280
Depreciation	3,229
Total Operating Expenses	32,401
Operating Income (Loss)	(1,458)
Non-Operating Revenues (Expenses)	
Interest Income	40
Miscellaneous income	25
Total Non-Operating Revenues (Expense)	65
Income (Loss) Before Transfers	(1,393)
Total Net Position, January 1	1,011,923
Total Net Position, December 31	\$ 1,010,530

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

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Statement of Cash Flows
Enterprise Fund
For The Year Ended December 31, 2017

	Water Enterprise Fund
Cash Flows From Operating Activities:	
Cash Received from Charges for Services	\$ 30,943
Payments to and on behalf of employees	(22,989)
Cash Payments for Goods and Services	(6,070)
Net Cash Provided (Used) by Operating Activities	1,884
 Cash Flows From Investing Activities	
Increase in Investment	(36,361)
Interest on Investments	65
Net Cash Provided (Used) by Investing Activities	(36,296)
Net Increase (Decrease) in Cash & Cash Equivalents	(34,412)
 Cash Balance, January 1	72,527
 Cash Balance, December 31	\$ 38,115
 Reconciling of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (1,458)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Depreciation Expense	3,229
Assets (Increased) Decreased	
Accounts Receivable	94
Liabilities Increased (Decreased)	
Accounts Payable	19
Total Adjustments	3,342
Net Cash Provided (Used) by Operating Activities	\$ 1,884

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

Upper Gunnison River Conservancy District
Notes to the Financial Statements
December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Upper Gunnison River Water Conservancy District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below:

Reporting Entity

These financial statements present the financial position and results of operations of the District, a political subdivision of the State of Colorado created on June 1, 1959. The District is supported jointly by Gunnison, Hinsdale and Saguache counties based upon a mill levy on real property located in the District. The purpose of the District is to represent the water interests of the residents of the Upper Gunnison River Watershed area. An eleven-member board governs the District.

These financial statements include only the District as there are no component units required to be included in accordance with GASB Statement No 14.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of governmental net position and the statement of governmental activities) report information on all of the nonfiduciary activities of the District. *Governmental activities*, which normally are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

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

Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period. The District has only one governmental fund, the General *Fund*, which is the general operating fund of the District.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The District has presented the following major proprietary fund.

Upper Gunnison River Conservancy District
Notes to the Financial Statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Water Enterprise Fund

Water Enterprise Fund is used to account for the provision of water services to the residents of the Upper Gunnison River Watershed and include administration, operations and maintenance of the water system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water debt. All costs are financed through charges to customers.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). Those revenues associated with the current period susceptible to accrual are property taxes, interest revenue and charges for services. All other revenues are reported when cash is received. Expenditures are recorded when the related fund liability is incurred.

It is the District's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property Taxes Receivable

Property taxes for the current year are levied and attached as a lien on property on January 1 of the succeeding year. They are payable in full by April 30 or in two equal installments due on February 28 and June 15. Property taxes levied in the current year and payable in the following year are reported as a receivable at December 31. However, since the property taxes are not available to pay current liabilities, the receivable is reported as deferred revenue.

Capital Assets

Capital assets are stated at cost. Donated assets are recorded at their estimated fair market value at the date of donation. The District defines capital assets as assets with an initial cost of \$1,000 or greater. Replacements, which improve or extend the lives of property, are capitalized. Maintenance, repairs and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized.

Upper Gunnison River Conservancy District
Notes to the Financial Statements
December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Capital Assets – continued

Capital assets are depreciated using the straight-line method over the following useful lives:

Office equipment	5-10 years
Dam rehabilitation	35 years

The District started to depreciate the cost of the Meridian Lake Reservoir dam rehabilitation in 2006 when the asset was transferred to the enterprise fund.

Compensated Absences

Full-time employees, except for the manager and water attorney who are covered under separate contracts, earn paid time-off based upon the number of years of service. At the Board's discretion, part-time employees may earn paid time-off on a pro-rata basis. The maximum amount of paid time-off that can be accumulated is 432 hours, after 15 years of service. All earned paid time-off is payable upon termination.

Net Position

Net position represents the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use by external restrictions imposed by creditors, grantors, laws or regulations of other governments.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes reconciliation between *fund balances* of the *governmental funds* and *Net Position of 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 the *net change in fund balances of the governmental funds* and the *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 government fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

NOTE 3 - TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

On November 3, 1998, the electors of the District approved the retention and spending of the District's non-tax revenues for the year beginning January 1, 1999, and subsequent years, without regard to the limitations imposed by the Amendment and to impose a maximum property tax rate not to exceed 2.0 mills. The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the general fund's fund balance is classified as restricted for emergencies as required by the Amendment. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

**Upper Gunnison River Conservancy District
Notes to the Financial Statements
December 31, 2017**

NOTE 4 – BUDGETS

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- A. Budgets are required by state law for all governmental, proprietary, and trust funds.
- B. The budget officer is required to submit a proposed budget to the Board by October 15.
- C. Public hearings are conducted by the Board to obtain taxpayer comments.
- D. Certification of the mill levies to the Board of County Commissioners and adoption of the budget and appropriations are required by December 15.
- E. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the budget. No changes were made to the originally adopted budget.
- F. Budget appropriations lapse at the end of each year.
- G. The District adopts budgets on a basis that is consistent with GAAP.

NOTE 5 - DEPOSITS AND INVESTMENTS

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102% of the uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations secured by first lien mortgages on real property located in the state. PDPA allows the institutions to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. There is no custodial credit risk for public deposits collateralized under PDPA.

On December 31, 2017, the carrying amount of the District's deposits were \$1,351,462. Of the bank balances, \$1,122,380 is covered by FDIC depository insurance and \$244,094 is collateralized. Of the above bank balance, the General Fund's share is \$1,313,322 and the Water Fund's share is \$38,140.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S government agency securities, certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and, guaranteed investment contracts. The District's investment policy follows Colorado statutes. At December 31, 2017, the District's investments included certificates of deposit, funds held in Colotrust and long-term government bonds. The CD's have maturity dates ranging from January 2018, to February 2020. The long-term Government maturities range from October 2019, May 2021.

	Carrying Value	Cost	
CD's (Level 1)	\$ 1,209,935	\$1,209,935	
COLOTRUST (Level 1)	1,098,680	1,098,680	
Federal Farm Credit Banks (Level 2)	738,968	755,000	Moody's AAA; S&P AA+
Federal Home Loan Bank (Level 2)	463,536	470,000	Moody's AAA; S&P AA+
U.S. Treasury Notes (Level 2)	398,092	399,980	Moody's AAA
	<u>\$ 3,909,211</u>	<u>\$3,933,595</u>	

Upper Gunnison River Conservancy District
Notes to the Financial Statements
December 31, 2017

NOTE 5 - DEPOSITS AND INVESTMENTS – continued

The District had invested \$1,098,680 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. COLOTRUST's funds are rated AAA by Standard and Poor's, Fitch's and Moody's rating services. The General Funds share of the amount is \$1,061,073 and the Water fund's share is \$37,607. *These Investments are measured at Net Asset Value.*

The District Categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value.

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly, Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liabilities.

Level 3: Unobservable inputs for an asset or liability.

**Upper Gunnison River Conservancy District
Notes to the Financial Statements
December 31, 2017**

NOTE 6 - CAPITAL ASSETS

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

	Balance 12/31/2015	Increase	Decrease	Balance 12/31/2016
Governmental Funds				
Capital assets being depreciated				
Building and Land	\$ 731,871	\$ -	\$ -	\$ 731,871
Office Equipment	29,966	16,983	15,129	31,820
Less Accumulated Depreciation	<u>(139,876)</u>	<u>(18,995)</u>	15,129	<u>(143,742)</u>
Governmental Activities Capital Assets, Net.	<u>\$ 621,961</u>	<u>\$ (2,012)</u>	\$ -	<u>\$ 619,949</u>
Business-type Activities				
Capital assets not being depreciation	\$ 942,457	\$ -	\$ -	\$ 942,457
Capital assets being depreciated				
Dam Rehabilitation	113,024	-	-	113,024
Less Accumulated Depreciation	<u>(35,522)</u>	<u>(3,229)</u>	-	<u>(38,751)</u>
Total Capital Assets Being Depreciated	<u>77,502</u>	<u>(3,229)</u>	-	<u>74,273</u>
Business-Type Activities Capital Assets, Net.	<u>\$ 1,019,959</u>	<u>\$ (3,229)</u>	\$ -	<u>\$ 1,016,730</u>

Total depreciation expense for the General Fund for the year ended December 31, 2017, was \$18,995, which was charged to the General and Administrative function. Water Enterprise Fund had depreciation expense of \$ 3,229.

NOTE 7 - RETIREMENT PLANS

The District participates in the Colorado County Officials and Employees Retirement Association (CCOERA) that provides retirement benefits through a defined contribution money purchase plan (the Plan) to participating Colorado counties, municipalities and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All employees must participate in the plan immediately after employment. The District has agreed to contribute 5% of employee compensation. The employee is required to contribute an amount equal to the District's contribution, and may contribute up to 10% of compensation. Employees are 100% vested once they are eligible to participate in the Plan. The covered payroll for the Plan was \$416,287 for the year ended December 31, 2017. The District and employees, each, contributed \$20,814, which is 5% of the covered payroll. The district's employees may participate in CCOERA's 457 deferred compensation plan if they so choose. There is no District participation in this plan.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims have not exceeded commercial coverage in any of the past three years.

NOTE 9 - COMMITMENTS

In 2007, the District entered into an agreement with Hinsdale County and the Town of Lake City to commission a feasibility study for a controlled outlet structure for Lake San Cristobal and the District. That project was on going as of December 31, 2017.

**Upper Gunnison River Conservancy District
Notes to the Financial Statements
December 31, 2017**

NOTE 10 - LONG TERM DEBT

The Water Enterprise Fund has an operating loan. The Fund borrowed \$75,000 from the general fund on an interest free operating loan.

The following is a detailed breakdown of those debt service payments.

	Balance 1/1/2017	Payments	Balance 12/31/2017
Operating Loan	\$ 75,000	\$ -	\$ 75,000
	\$ 75,000	\$ -	\$ 75,000

NOTE 11 – LEASES

The District leases a copier. The lease term is 60 months at \$216 per month. Below is the remaining lease payment schedule at December 31, 2017.

2018		\$2,592
2019		2,592
2020		1,080
Total		\$6,264

NOTE 12 – FUND BALANCE CLASSIFICATION POLICIES AND PROCEDURES

During 2017, the District implemented GASB 54, Fund Balance Classification. With this new GASB, the fund balance is broken into five classifications. (1) Non-spendable – not in spendable form, (2) Restricted-fund constrained by external parties, (3) Committed – constraints on use of funds imposed by the highest level of decision making authority, in the District’s case that is the Board of Directors. The funds must be established, modified or rescinded by use of resolution of the Board. (4) Assigned – funds intended to be used for a specific purpose, where the intent is expressed by an official authorized by the governing board, in the District’s case that is the General Manager and (5) Unassigned – which are funds available for any purpose. The District does not have Committed or Assigned fund classification in 2017.

It is the District’s policy to spend restricted funds first then unrestricted fund for the purpose for which both funds are available and committed and assigned funds are spent when expenditure is incurred for purposes for which amount in any of those unrestricted fund balance classification could be used.

The District does have fund classification as follows:

- Restricted which is dictated by Colorado State Law
-) Nonspendable
- Unassigned.

REQUIRED SUPPLEMENTARY INFORMATION

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Statement of Revenues, Expenditures and Change in Fund Balance - Budget & Actual
General Fund
For the Year Ended December 31, 2017

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Carryover from Prior Year	\$ -	\$ -	\$ -
Taxes:			
Property	1,067,528	\$1,058,594	\$ (8,934)
Specific Ownership	65,000	74,185	9,185
Interest of Delinquent Taxes	3,300	3,505	205
Total Taxes	<u>1,135,828</u>	<u>1,136,284</u>	<u>456</u>
Cloud Seeding Program	79,750	77,966	(1,784)
Basin Implementation Plan	-	100,299	100,299
Water Contract Sales	17,017	18,187	1,170
Water Quality Monitoring	20,004	20,204	200
Earnings on Deposits & Investments	15,000	45,840	30,840
Miscellaneous	1,000	400	(600)
Total Revenues	<u>1,268,599</u>	<u>1,399,180</u>	<u>130,581</u>
Expenditures			
Salaries & Benefits	519,994	490,119	29,875
Public Outreach	27,800	31,368	(3,568)
Legal & Accounting	7,500	5,224	2,276
Occupancy Expenses	13,762	15,121	(1,359)
Bonding & Insurance	10,274	8,784	1,490
Office Expense	104,555	73,951	30,604
Board of Directors Expenses	19,938	11,581	8,357
Board of Directors Fees	6,920	5,430	1,490
General & Administrative	14,000	38,321	(24,321)
Membership & Dues	10,250	5,347	4,903
Stream Monitoring	91,335	95,840	(4,505)
General Engineering	-	5,000	(5,000)
Taylor Park Project	6,377	6,377	0
Basin Planning & Development	330,000	489,155	(159,155)
Fish Recovery Program	3,000	3,000	-
Water Costs & Supply Program	446,595	207,573	239,022
Lake San Cristobal	16,247	14,224	2,023
Contingency	34,000	-	34,000
Cloud Seeding Program	-	179,646	(179,646)
Capital Outlay	101,034	16,983	84,051
Total Expenditures	<u>1,763,581</u>	<u>1,703,044</u>	<u>60,537</u>
Excess of Revenues Over (Under) Expenditures	(494,982)	(303,864)	191,118
Fund Balance, January 1	494,982	4,414,565	3,919,583
Fund Balance, December 31	<u>\$ -</u>	<u>\$4,110,701</u>	<u>\$ 4,110,701</u>

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

OTHER SUPPLEMENTARY INFORMATION

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Schedule of Revenues, Expenses and Change in Available Resources - Budget & Actual
Water Enterprise Fund
For the Year Ended December 31, 2017

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Annual Meridian Dues	\$ 28,715	\$ 30,943	\$ 2,228
Other Income	-	25	25
Earnings on Deposits & Investments	19	40	21
Total Revenues	<u>28,734</u>	<u>31,008</u>	<u>2,274</u>
Expenses			
Salaries & Benefits	22,748	22,989	241
Accounting & Legal	335	244	(91)
Occupancy Expenses	569	704	135
Bonding & Insurance	882	951	69
Office Expenses	2,839	2,262	(577)
General & Administrative	709	1,201	492
Board Expenses	633	541	(92)
Repairs & Maintenance	-	280	280
Total Expenses	<u>28,715</u>	<u>29,172</u>	<u>457</u>
Excess of Revenues Over (Under) Expenses	19	1,836	1,817
Reconciliation to Statement of Activities:			
Depreciation	-	(3,229)	(3,229)
Available Resources, January 1	24,985	1,011,923	986,938
Available Resources, December 31	<u>\$ 25,004</u>	<u>\$1,010,530</u>	<u>\$ 985,526</u>

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