

**HISTORIC ARKANSAS RIVERWALK AUTHORITY OF PUEBLO**  
**ANNUAL FINANCIAL REPORT**  
**DECEMBER 31, 2018**

## CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
<u>Government-Wide Financial Statements</u>	
Statement of Net Position	7
Statement of Activities	8
<u>Fund Financial Statements</u>	
Governmental Fund –	
Balance Sheet	9
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balance	11
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	12
Proprietary Fund –	
Statement of Net Position	13
Statement of Revenues, Expenses and Changes in Fund Net Position	14
Statement of Cash Flows	15
<u>Notes to Financial Statements</u>	16
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	26
Notes to Required Supplementary Information	27
ADDITIONAL INFORMATION	
Schedule of Revenues and Expenditures – Recreational/ Entertainment Operations Enterprise Fund – Budget and Actual	28



503 N. Main St., Suite 740  
Pueblo, CO 81003-3131  
719.543.0516  
719.544.2849 Fax  
www.cpapueblo.com

---

**McPherson, Goodrich, Paolucci & Mihelich, PC**

*Tax/Consulting/Audit*

*Certified Public Accountants*

---

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Historic Arkansas Riverwalk Authority of Pueblo  
Pueblo, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activity and each major fund of the Historic Arkansas Riverwalk Authority of Pueblo (the Authority) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Authority'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.

### **Auditors' 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 auditors' 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 activity and each major fund of the Historic Riverwalk Authority of Pueblo, as of December 31, 2018, 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 the budgetary comparison information on pages 3 through 6 and pages 26 through 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. 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 Historic Arkansas Riverwalk Authority of Pueblo's basic financial statements. The schedule of revenues and expenditures-recreational/entertainment operations enterprise fund-budget to actual is presented for purposes of additional information and is not a required part of the basic financial statements.

The schedule of revenues and expenditures-recreational/entertainment operations enterprise fund-budget to actual is the responsibility of management and was derived from and relates 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 schedule of revenues and expenditures-recreational/entertainment operations enterprise fund-budget to actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*M. Person, Certified, Public & Municipal Ac*

March 4, 2019

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2018**

### **INTRODUCTION**

The purpose of this Management's Discussion and Analysis (MD&A) is to provide a financial review and analysis as of and for the year ended December 31, 2018. This discussion and analysis is presented in conjunction with the Historic Arkansas Riverwalk of Pueblo Authority's (the Authority) audited financial statements. The analysis includes comparative information from 2017.

The Authority was created in 1997 under the laws of the state of Colorado to promote, manage, supervise, operate, develop and maintain the public project known as the Historic Arkansas Riverwalk of Pueblo. The original Intergovernmental Agreement (IGA) establishing the Authority included the City of Pueblo, Colorado, the County of Pueblo, Colorado, the Pueblo Conservancy District and the Board of Water Works of Pueblo. The Pueblo Urban Renewal Authority (PURA) agreed to be a party to the IGA in May 2008, at which time the IGA was modified to include the PURA.

### **FINANCIAL HIGHLIGHTS**

- The Authority's net position at December 31, 2018 totaled \$350,403 while the Authority's change in net position for the year ended December 31, 2018 was \$68,821.
- Total revenues for the year ended December 31, 2018 were \$1,105,645 and total expenses for the same period were \$1,036,824. Revenues decreased \$11,826 during 2018 compared to 2017 due to differing amounts of project contributions/development funding and insurance proceeds received in 2017. At the same time, total expenses decreased by \$81,250. The difference is primarily from increased capital outlay project expenses in 2017.

### **LAYOUT OF REPORT**

In addition to this MD&A, the report consists of government-wide statements, fund financial statements, the notes to the financial statements, required supplementary information, and other additional information. Within this view, the Authority's operations are categorized and reported as either governmental activities or business-type activities. Governmental activities include basic governmental and administration services, while the business-type activities represent the recreational/entertainment operation enterprise fund. The government-wide statements are designed to be more corporate-like so as to report all the Authority's activities in these statements.

### **FINANCIAL STATEMENTS**

#### Government-Wide Financial Statements

The government-wide financial statements are reported by governmental activities and business-type activities. These statements are designed to provide a broad overview of the Authority's net position and changes in net position. The governmental activities include the general fund, while the business-type activities report the recreational/entertainment operation enterprise fund.

The statement of net position presents a snapshot view of the assets and liabilities of the Authority at a point in time, while the changes in net position reports revenues and expenses over a period of time.

### Fund Financial Statements

The fund financial statements provide more detail about the Authority's activities and the funds are used to maintain control over resources that are segregated for specific purposes or activities. The Authority reports a general fund, along with the recreational/entertainment operations enterprise fund.

### Notes to Financial Statements

The notes to the financial statements provide additional disclosure required by generally accepted accounting principles and are designed to assist the reader in understanding the Authority's financial condition.

### Financial Analysis

The following tables and analysis discuss the net position and changes in net position for the Authority as of and for the year ended December 31, 2018 with comparative information for the previous year.

Net Position – Net position may serve over time as a useful indicator of the Authority's financial position. The following table reflects the condensed statement of net position as of December 31, 2018 and 2017:

TABLE A  
CONDENSED STATEMENT OF NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current assets	\$ 349,734	\$ 296,058	\$ 30,194	\$ 45,060	\$ 379,928	\$ 340,810
Noncurrent assets	<u>3,890</u>	<u>6,440</u>	<u>35,152</u>	<u>18,445</u>	<u>39,042</u>	<u>24,885</u>
Total Assets	<u>353,624</u>	<u>302,498</u>	<u>65,346</u>	<u>63,505</u>	<u>418,970</u>	<u>365,695</u>
Current liabilities	<u>64,829</u>	<u>82,402</u>	<u>3,738</u>	<u>2,019</u>	<u>68,567</u>	<u>84,421</u>
Total Liabilities	<u>64,829</u>	<u>82,402</u>	<u>3,738</u>	<u>2,019</u>	<u>68,567</u>	<u>84,421</u>
Net investment in capital assets	3,890	6,440	35,152	18,445	39,042	24,885
Unrestricted	<u>284,905</u>	<u>213,656</u>	<u>26,456</u>	<u>43,041</u>	<u>311,361</u>	<u>256,697</u>
Total Net Position	<u>\$ 288,795</u>	<u>\$ 220,096</u>	<u>\$ 61,608</u>	<u>\$ 61,486</u>	<u>\$ 350,403</u>	<u>\$ 281,582</u>

The Authority's net position was \$350,403 at December 31, 2018 and, as demonstrated in Table B, the Authority's revenue exceeded its expenses by \$68,821 for the year ended December 31, 2018. Original budgeted expenses were not expanded to align with needed costs, hence the increased net position. The carry forward will be utilized in 2019 for existing maintenance and repair needs not expensed or addressed in 2018.

Changes in Net Position – Table B below compares revenues and expenses of the Authority for the current year and the previous period.

TABLE B  
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues –						
Charges for services	\$ 282,452	\$ 265,871	\$ 237,906	\$ 229,030	\$ 520,359	\$ 494,901
Operating grants and contributions	564,488	527,260	-	-	564,488	527,260
Capital grants and contributions	-	46,766	-	-	-	46,766
Investment earnings	107	59	10	7	117	66
Other	20,412	48,369	269	109	20,681	48,478
Total Revenues	<u>867,459</u>	<u>888,325</u>	<u>238,185</u>	<u>229,146</u>	<u>1,105,645</u>	<u>1,117,471</u>
Expenditures –						
General government	798,761	884,080	-	-	798,761	884,080
Business-type activities	-	-	238,063	233,994	238,063	233,994
Total Expenditures	<u>798,761</u>	<u>884,080</u>	<u>238,063</u>	<u>233,994</u>	<u>1,036,824</u>	<u>1,118,074</u>
Change in net position before transfers	68,699	4,245	122	(4,848)	68,821	(603)
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	<u>68,699</u>	<u>4,245</u>	<u>122</u>	<u>(4,848)</u>	<u>68,821</u>	<u>(603)</u>
Net position, January 1	<u>220,096</u>	<u>215,851</u>	<u>61,486</u>	<u>66,334</u>	<u>281,582</u>	<u>282,185</u>
Net position, December 31	<u>\$ 288,795</u>	<u>\$ 220,096</u>	<u>\$ 61,608</u>	<u>\$ 61,486</u>	<u>\$ 350,403</u>	<u>\$ 281,582</u>

Governmental activities – IGA Funding and CAM Fee revenue increased in 2018, however there was a small decrease in overall revenue in 2018 compared to 2017. This was primarily the result of the Lighting/Nightscape & 1A Project Development contributions and insurance proceeds received in 2017. The decrease in expenses in 2018 were from a temporary reduction in 1A Project Development needs and small contributions of savings from the following items: salary savings (position vacancy), discontinuation of City fountain maintenance contract, and repairs and maintenance needs that will be completed in 2019.

Business-type activities – The increase in revenue in 2018 compared to 2017 is the direct result of a newly obtained sponsorship for the Welcome Center. The decrease in expenses in 2018 were from savings from several line items including personnel, advertising, and operations.

Capital Assets

Table C reflects the Authority’s investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities. As of December 31, 2018, capital assets totaled \$39,042 compared to \$24,885 at December 31, 2017, with the increase due to the purchase of two excursion boat motors and installed fitness equipment.

TABLE C  
CAPITAL ASSETS (Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Buildings and improvements	\$ 2,119	\$ 3,532	\$ -	\$ -	\$ 2,119	\$ 3,532
Furniture and equipment	<u>1,771</u>	<u>2,908</u>	<u>35,152</u>	<u>18,445</u>	<u>36,923</u>	<u>21,353</u>
Total	<u>\$ 3,890</u>	<u>\$ 6,440</u>	<u>\$ 35,152</u>	<u>\$ 18,445</u>	<u>\$ 39,042</u>	<u>\$ 24,885</u>

Budgetary Highlights

The 2018 actual revenue is over budget by \$38,350. Expenditures are \$39,762 under budget. The Board approved the final amended budget in December 2018.

**FINANCIAL CONTACT**

This financial report is designed to provide a general overview of the Authority’s finances for all those who have an interest. Any questions should be addressed to the staff at the Authority’s office located at 125 Riverwalk Place, Pueblo, CO, 81003.

**HISTORIC ARKANSAS RIVERWALK OF PUEBLO AUTHORITY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 331,411	\$ 27,336	\$ 358,747
Accounts receivable	7,967	750	8,717
Inventory	-	1,501	1,501
Prepaid expenses	10,356	607	10,963
Capital assets -			
Buildings and improvements, net	2,119	-	2,119
Furniture and equipment, net	1,771	35,152	36,923
Total capital assets	<u>3,890</u>	<u>35,152</u>	<u>39,042</u>
<b>TOTAL ASSETS</b>	<u>\$ 353,624</u>	<u>\$ 65,346</u>	<u>\$ 418,970</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 58,469	834	\$ 59,303
Customer deposits	1,000	2,904	3,904
Long-term liabilities -			
Due within one year	2,680	-	2,680
Due in more than a year	<u>2,680</u>	<u>-</u>	<u>2,680</u>
<b>TOTAL LIABILITIES</b>	<u>64,829</u>	<u>3,738</u>	<u>68,567</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,890	35,152	39,042
Unrestricted	<u>284,905</u>	<u>26,456</u>	<u>311,361</u>
<b>TOTAL NET POSITION</b>	<u>\$ 288,795</u>	<u>\$ 61,608</u>	<u>\$ 350,403</u>

The accompanying notes are an integral part of this statement.

**HISTORIC ARKANSAS RIVERWALK OF PUEBLO AUTHORITY  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
General government	\$ 798,761	282,453	\$ 564,488	\$ -	\$ 48,180	\$ -	\$ 48,180
Total governmental activities	<u>798,761</u>	<u>282,453</u>	<u>564,488</u>	<u>-</u>	<u>48,180</u>	<u>-</u>	<u>48,180</u>
Business-type activities							
Recreational/entertainment operations	\$ 238,063	237,906	\$ -	\$ -	-	(157)	(157)
Total business-type activities	<u>238,063</u>	<u>237,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(157)</u>	<u>(157)</u>
<b>TOTAL</b>	<u>\$ 1,036,824</u>	<u>\$ 520,359</u>	<u>\$ 564,488</u>	<u>\$ -</u>	<u>\$ 48,180</u>	<u>\$ (157)</u>	<u>48,023</u>
General revenues							
Unrestricted investment earnings					107	10	117
Insurance recovery					16,833	-	16,833
Miscellaneous					3,579	269	3,848
Total general revenues					<u>20,519</u>	<u>279</u>	<u>20,798</u>
Change in net position					68,699	122	68,821
Net position, January 1					220,096	61,486	281,582
Net position, December 31					<u>\$ 288,795</u>	<u>\$ 61,608</u>	<u>\$ 350,403</u>

The accompanying notes are an integral part of this statement.

**HISTORIC ARKANSAS RIVERWALK OF PUEBLO AUTHORITY  
BALANCE SHEET  
GOVERNMENTAL FUND  
DECEMBER 31, 2018**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 331,411
Accounts receivable	7,967
Prepaid expenses	<u>10,356</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 349,734</u></b>
 <b>LIABILITIES AND FUND BALANCE</b>	
Liabilities -	
Accounts payable	58,469
Customer deposits	<u>1,000</u>
Total liabilities	<u>59,469</u>
 Fund balances -	
Nonspendable	10,356
Assigned	14,074
Unassigned	<u>265,835</u>
Total fund balances	<u>290,265</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 349,734</u></b>

The accompanying notes are an integral part of this statement.

**HISTORIC ARKANSAS RIVERWALK OF PUEBLO AUTHORITY  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

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

Total fund balance - governmental fund	\$	290,265
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds		
The cost of capital assets is	\$	105,836
Accumulated depreciation is	<u>(101,946)</u>	3,890
Other liabilities are not due and payable in the current period and therefore are not reported as liabilities in the fund. Other liabilities at year end consist of:		
Compensated absences	<u>(5,360)</u>	<u>(5,360)</u>
Total net position - governmental activities	\$	<u>288,795</u>

The accompanying notes are an integral part of this statement.

**HISTORIC ARKANSAS RIVERWALK OF PUEBLO AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
YEAR ENDED DECEMBER 31, 2018**

	<u>General Fund</u>
<b>REVENUES</b>	
Intergovernmental	\$ 564,488
Charges for services	282,452
Interest	107
Miscellaneous	<u>3,579</u>
<b>TOTAL REVENUES</b>	<u>850,626</u>
 <b>EXPENDITURES</b>	
Current -	
General government	<u>797,452</u>
<b>TOTAL EXPENDITURES</b>	<u>797,452</u>
 <b>OTHER FINANCING SOURCES</b>	
Insurance recovery	<u>16,833</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>16,833</u>
 NET CHANGE IN FUND BALANCE	70,007
 FUND BALANCE, January 1	<u>220,258</u>
 FUND BALANCE, December 31	<u>\$ 290,265</u>

The accompanying notes are an integral part of this statement.

**HISTORIC ARKANSAS RIVERWALK OF PUEBLO AUTHORITY  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

Amounts reported for governmental activities are different because:

Total net change in fund balances - governmental fund	\$	70,007
<p>Capital outlays are reported in the governmental fund as expenditures; however, for governmental activities these costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay</p>		
Capital outlay		-
Depreciation expense	(2,549)	(2,549)
<p>In the statement of activities, compensated absences (vacation leave) are measured by the amounts earned during the year. In the governmental fund, however, expenditures for these items are measured by the amounts actually paid. This year the amounts earned (\$14,824) were less than compensated absences paid (\$16,065)</p>		
		<u>1,241</u>
Change in net position - governmental activities	\$	<u>68,699</u>

The accompanying notes are an integral part of this statement.

**HISTORIC ARKANSAS RIVERWALK OF PUEBLO AUTHORITY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**DECEMBER 31, 2018**

	Business-Type Activity
	Enterprise Fund Recreational/Entertainment Operations
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 27,336
Accounts receivable	750
Prepaid expenses	607
Inventory	1,501
<b>TOTAL CURRENT ASSETS</b>	<b>30,194</b>
<b>NONCURRENT ASSETS</b>	
Capital assets	
Furniture & equipment	199,781
Accumulated depreciation	(164,629)
<b>TOTAL CAPITAL ASSETS</b>	<b>35,152</b>
<b>TOTAL ASSETS</b>	<b>65,346</b>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	834
Customer deposits	2,904
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,738</b>
<b>TOTAL LIABILITIES</b>	<b>3,738</b>
<b>NET POSITION</b>	
Net investment in capital assets	35,152
Unrestricted	26,456
<b>TOTAL NET POSITION</b>	<b>\$ 61,608</b>

The accompanying notes are an integral part of this statement.

**HISTORIC ARKANSAS RIVERWALK OF PUEBLO AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activity
	Enterprise Fund Recreational/Entertainment Operations
OPERATING REVENUES	
Charges for services	237,906
Miscellaneous	269
TOTAL OPERATING REVENUES	238,175
OPERATING EXPENSES	
Salaries	69,478
Payroll taxes and benefits	8,318
Supplies	9,055
Utilities and communications	6,299
Repairs and maintenance	8,923
Advertising	23,049
Depreciation	7,982
Administrative support	67,800
Sponsorship, facility, special events	28,948
Other	8,211
TOTAL OPERATING EXPENSES	238,063
OPERATING INCOME (LOSS)	112
NONOPERATING REVENUES	
Investment revenue	10
TOTAL NONOPERATING REVENUES	10
CHANGE IN NET POSITION	122
TOTAL NET POSITION, January 1	61,486
TOTAL NET POSITION, December 31	\$ 61,608

The accompanying notes are an integral part of this statement.

**HISTORIC ARKANSAS RIVERWALK OF PUEBLO AUTHORITY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activity
	Enterprise Fund Recreational/Entertainment Operations
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 238,172
Cash paid to employees	(69,478)
Cash paid for goods and services	(91,300)
Cash paid for interfund services	(67,800)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>9,594</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(24,690)
<b>NET CASH (USED) BY FINANCING ACTIVITIES</b>	<b>(24,690)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	10
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>10</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(15,086)</b>
<b>CASH AND CASH EQUIVALENTS, January 1</b>	<b>42,432</b>
<b>CASH AND CASH EQUIVALENTS, December 31</b>	<b>\$ 27,346</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income (loss)	122
Adjustments to reconcile operating income to net cash provided (used) by operating activities -	
Depreciation expense	7,982
Change in assets and liabilities -	
Accounts receivable	(312)
Inventory	50
Prepaid expenses	(276)
Accounts payable	926
Customer deposits	1,102
<b>NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES</b>	<b>\$ 9,594</b>

The accompanying notes are an integral part of this statement.

**NOTES TO FINANCIAL STATEMENTS**

**HISTORIC ARKANSAS RIVERWALK AUTHORITY OF PUEBLO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Historic Arkansas Riverwalk Authority of Pueblo (the Authority) was created in 1997 under the laws of the State of Colorado to promote, manage, supervise, operate, develop and maintain the public project known as the Historic Arkansas Riverwalk of Pueblo. The intergovernmental agreement establishing the Authority involved the City of Pueblo, Colorado, the County of Pueblo, Colorado, Pueblo Conservancy District and the Board of Water Works of Pueblo. In 2008, the intergovernmental agreement was amended to include the Pueblo Urban Renewal Authority.

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting practices used by the Authority are described below.

**A. REPORTING ENTITY**

As required by generally accepted accounting principles, the Authority (the primary government) includes, if applicable, component units in its financial statements based upon financial accountability. Inasmuch as no component unit meets the criteria for inclusion, no component unit financial statements have been included.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The basic financial statements include both government-wide (based on the Authority as a whole) and fund financial statements. The government-wide financial statements, which include the statement of net position and the statement of activities, report information on all of the activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a function or activity. Program revenues include, if applicable, (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or activity; (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity; and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Other items not properly included among program revenues are reported instead as general revenues. The net cost by function or business-type activities is normally covered by other unrestricted revenues.

**HISTORIC ARKANSAS RIVERWALK AUTHORITY OF PUEBLO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

Separate fund financial statements are provided for the governmental fund and the proprietary fund which are both considered major funds.

The government-wide focus is more on the sustainability of the Authority as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

**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 fund financial statements for the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenue to be available if collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred as is the case with accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due. General capital asset acquisitions are reported as expenditures in governmental funds, while proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Intergovernmental, interest and charges for services are considered revenues susceptible to accrual while miscellaneous revenue is recorded as revenue when received in cash because it is not generally measurable until received at that time.

**HISTORIC ARKANSAS RIVERWALK AUTHORITY OF PUEBLO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

Business-type activities and the proprietary fund are accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of the fund are included on the balance sheet. The proprietary fund-type operating statement presents increases (revenues) and decreases (expenses) in total net position. The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operation. The principal operating revenues of the Authority's recreational/entertainment operations enterprise fund is charges to customers for sales and services. Operating expenses for the enterprise fund includes the cost of sales and services, along with administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**GOVERNMENTAL FUND**

The Authority reports the following major governmental fund:

- The general fund is the primary operating fund of the Authority and is always classified as a major fund. The general fund is used to account for all financial resources of the Authority except those required to be accounted for in a separate fund. Major revenue sources include intergovernmental revenues and charges for services. Primary expenditures include maintenance and upkeep of the riverwalk.

**PROPRIETARY FUND**

The following is a description of the major proprietary fund of the Authority:

- The recreational/entertainment fund was established to account for the provision of recreational and entertainment activities on the riverwalk.

**D. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash on hand and interest and non-interest-bearing demand deposits. For purposes of the statement of cash flows, all highly liquid investments, if any, with a maturity of three months or less when purchased are considered cash equivalents.

**HISTORIC ARKANSAS RIVERWALK AUTHORITY OF PUEBLO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

**E. CAPITAL ASSETS**

Capital assets, which include building improvements and furniture and equipment, are reported in the governmental activity and business-type activity columns in the government-wide financial statements. The capitalization level was established at \$1,000 for all capitalized items. This level was set so as to maintain a balance between accountability and managing the costs of recording and tracking these assets. Capital assets are defined as assets with an initial individual cost or estimated cost that equals or exceeds the limits identified above and have a useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at acquired value at the time received. Normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset 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 for business-type activities is included as part of the capitalized value of assets constructed when material. No interest was capitalized during the year ended December 31, 2018.

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Building improvements	15	-
Furniture and equipment	5-7	5-7

**F. COMPENSATED ABSENCES**

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees are compensated for vacation pay either through paid time off or at termination or retirement, while employees are not paid for unused sick leave at termination. Accordingly, sick pay is charged to expenditures when used and thus, no provision has been made in the financial statements for unused sick leave.

Accumulated vacation is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental fund only if they have matured; for example, as a result of employee resignations and retirements.

**HISTORIC ARKANSAS RIVERWALK AUTHORITY OF PUEBLO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

**G. FUNDEQUITY**

The governmental fund reports fund balances in classifications based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Fund balance for the Authority's governmental fund consists of the following:

- Nonspendable – includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories, prepaid items, long-term notes receivable and fund advances, if any.
- Restricted – includes amounts that are restricted for specific purposes stipulated by external resource providers constitutionally or through enabling legislation.
- Committed – includes amounts that can only be used for the specific purposes determined by the passage of a resolution of the HARP Authority board of directors. Commitments may be modified or changed only by the HARP Authority board of directors approving a new resolution.
- Assigned – includes amounts intended to be used by the Authority for specific purposes that are neither restricted nor committed. Intent is expressed by the executive director to which the assigned amounts are to be used for specific purposes. Assigned amounts include appropriations of existing fund balance to eliminate a budgetary deficit in the subsequent year's budget.
- Unassigned – includes amounts that do not meet any of the above criteria. The Authority reports positive unassigned fund balances only in the general fund.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, fund balance is reduced in the order of restricted, committed, assigned and unassigned.

In the government-wide financial statements and proprietary fund financial statements, equity is classified as net position and displayed in the following categories:

- Net investment in capital assets – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position – consists of net position with constraints placed on the use either by (a) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) through constitutional provisions or enabling legislation.

**HISTORIC ARKANSAS RIVERWALK AUTHORITY OF PUEBLO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

- Unrestricted net position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

When both restricted and unrestricted resources are available for net position use, it is the Authority’s policy to use restricted resources first and then use unrestricted resources as they are needed.

**H. INTERFUND TRANSACTIONS**

Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as interfund transfers.

**I. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The Authority adheres to the following procedures in establishing its budgets:

On or before October 15 of each year, the executive director submits to the board of directors a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. All funds, including the proprietary fund, use the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budgets.

Expenditure estimates in the annual budget are enacted into law through the passage of appropriation resolutions. Budgetary control exists at the total fund level and the budget amounts reported reflect all amendments enacted by the Authority and these amendments were approved in accordance with state law.

**HISTORIC ARKANSAS RIVERWALK AUTHORITY OF PUEBLO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are summarized as follows:

Cash on hand	\$ 200
Demand deposits	<u>358,547</u>
	<u>\$ 358,747</u>

At December 31, 2018, the carrying amount of the Authority's deposits was \$358,547 and the bank balance was \$371,555. Of the bank balance, \$250,000 was covered by federal depository insurance and \$121,555 was collateralized in a single financial institution collateral pools maintained by the individual financial institution that holds these deposits. Colorado law requires that depository institutions must apply for and be designated as an eligible public depository before the institution can accept public fund monies. The depository institution must pledge eligible collateral as security for all public deposits held by that institution that are not insured by depository insurance. The market value of the collateral that each institution pledges as security must equal at least 102% of the total uninsured deposits held by that institution. Generally, the eligible collateral in the collateral pools is held by the depository institution or its agent in the name of the depository institution.

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's policy for custodial risk parallels Colorado statutes as described above. As of December 31, 2018, deposits with the bank balance of \$121,555 are uninsured but are not exposed to the custodial credit risk because they are collateralized with securities held by the pledging financial institution's agent.

**HISTORIC ARKANSAS RIVERWALK AUTHORITY OF PUEBLO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 4 – CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2018 was as follows:

	Balance January 1, <u>2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2018</u>
Governmental activities –				
Depreciable assets –				
Buildings and improvements	21,190	-	-	21,190
Furniture and equipment	<u>84,646</u>	<u>-</u>	<u>-</u>	<u>84,646</u>
Total capital assets being depreciated	<u>105,836</u>	<u>-</u>	<u>-</u>	<u>105,836</u>
Less: accumulated depreciation for –				
Buildings and improvements	(17,658)	(1,413)	-	(19,071)
Furniture and equipment	<u>(81,738)</u>	<u>(1,137)</u>	<u>-</u>	<u>(82,875)</u>
Total accumulated depreciation	<u>(99,397)</u>	<u>(2,550)</u>	<u>-</u>	<u>(101,946)</u>
Capital assets being depreciated, net	<u>6,440</u>	<u>(2,550)</u>	<u>-</u>	<u>3,890</u>
Total governmental activities capital assets, net	<u>\$ 6,440</u>	<u>\$ (2,550)</u>	<u>\$ -</u>	<u>\$ 3,890</u>

Depreciation expense of \$2,550 was charged to the general government function.

	Balance January 1, <u>2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2018</u>
Business-type activities –				
Depreciable assets –				
Furniture and equipment	\$ 175,091	\$ 24,690	\$ -	\$ 199,781
Less: accumulated depreciation for –				
Furniture and equipment	<u>(156,646)</u>	<u>(7,983)</u>	<u>-</u>	<u>(164,629)</u>
Total business-type activities capital assets, net	<u>\$ 18,445</u>	<u>\$ 16,707</u>	<u>\$ -</u>	<u>\$ 35,152</u>

**HISTORIC ARKANSAS RIVERWALK AUTHORITY OF PUEBLO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 5 - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities in the government-wide financial statements for the year ended December 31, 2018:

	Balance January 1, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2018</u>	Due Within <u>One Year</u>
Compensated absences	\$ 6,602	\$ 14,824	\$ (16,066)	\$ 5,360	\$ 2,680
Total governmental activities	<u>\$ 6,602</u>	<u>\$ 14,824</u>	<u>\$ (16,066)</u>	<u>\$ 5,360</u>	<u>\$ 2,680</u>

This obligation is serviced by the general fund.

**NOTE 6 - RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts, property and casualty, errors and omissions, and employee health claims. These risks of loss are covered by commercial insurance coverage.

**NOTE 7 - EMPLOYEE BENEFITS**

The Authority contributes to the HARP Authority 457 Plan (the Plan), a defined contribution pension plan for its full-time employees. The Plan is administered by Variable Annuity Life Insurance Co.

Benefit terms, including participation criteria and contribution requirements for the Plan are established by and may be amended by the Board of Directors. For each employee, the Plan provides for employee voluntary contributions and the Authority matches those contributions up to 4% of compensation. For the year ended December 31, 2018, employee contributions totaled \$52,328 and the Authority recognized pension expense of \$7,514.

Employees are fully vested in both the Authority's contributions and their own contributions, along with the earnings on those contributions.

**HISTORIC ARKANSAS RIVERWALK AUTHORITY OF PUEBLO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

The Authority leases office space from the HARP Foundation under an operating lease ending December 31, 2033. Future minimum lease payments at December 31, 2018 follow:

2019	\$ 24,000
2020	24,000
2021	24,000
2022	24,000
2023	24,000
Thereafter	<u>240,000</u>
Total	<u>\$ 360,000</u>

Total rent expense incurred during 2018 totaled \$24,000.

The Authority also leases a copy machine under an operating lease from the Canon Financial Group ending October 28, 2020. Future minimum lease payments at December 31, 2018 follow:

2019	2,868
2020	<u>2,390</u>
Total	<u>\$ 5,258</u>

Total lease expense incurred during 2018 totaled \$2,868.

Colorado voters passed an amendment to the state constitution in November 1992. The amendment is commonly referred to as the Tabor Amendment and contains several limitations, including revenue raising, spending abilities and other specific requirements affecting state and local governments. The amendment is complex and subject to judicial interpretation. The Authority believes it is not subject to the amendment because it does not qualify as a governmental entity for purposes of the amendment.

**NOTE 9 – RELATED PARTY**

The Authority provides management services to the HARP Foundation and during 2018, the Authority received \$30,000 for those services.

**REQUIRED SUPPLEMENTARY INFORMATION**

**HISTORIC ARKANSAS RIVERWALK OF PUEBLO AUTHORITY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual Budget Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 548,123	\$ 548,123	\$ 564,488	\$ 16,365
CAM fees, sponsorships, and vendor fees	231,073	231,073	252,452	21,379
Foundation management services	30,000	30,000	30,000	-
Interest revenue	100	100	107	7
Other	21,750	21,750	20,412	(1,338)
<b>TOTAL REVENUES</b>	<u>831,046</u>	<u>831,046</u>	<u>867,459</u>	<u>36,413</u>
<b>EXPENDITURES</b>				
Current -				
Salaries	296,150	288,200	278,132	10,068
Payroll taxes and benefits	114,698	108,200	102,354	5,846
Administration	31,070	29,300	27,790	1,510
Professional and consulting fees	12,300	14,100	14,345	(245)
Maintenance	307,391	293,746	284,018	9,728
Supplies	4,000	4,450	4,881	(431)
Telephone	5,400	8,100	8,094	6
Occupancy	32,537	33,100	32,950	150
Capital repairs	27,500	51,850	44,888	6,962
<b>TOTAL EXPENDITURES</b>	<u>831,046</u>	<u>831,046</u>	<u>797,452</u>	<u>33,594</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	70,007	70,007
<b>FUND BALANCE, January 1</b>	-	-	220,258	220,258
<b>FUND BALANCE, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290,265</u>	<u>\$ 290,265</u>

**HISTORIC ARKANSAS RIVERWALK AUTHORITY OF PUEBLO  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2018**

**BUDGETARY INFORMATION**

Historic Arkansas Riverwalk Authority of Pueblo (HARP) adheres to the following procedures in establishing the budgetary data reflected in the budgetary comparison schedule.

The HARP Intergovernmental Agreement directs the HARP Board to consult with the appropriate officers of each of the IGA partners (City of Pueblo, Pueblo County, Pueblo Conservancy District, the Board of Water Works of Pueblo, and the Pueblo Urban Renewal Authority) in the preparation of an annual operating plan and line item budget for the promotion, management, supervision, maintenance, development, and operation of HARP. The HARP Authority is required to conduct a joint meeting with the IGA partners no later than August 20 of each year and then submit its annual plan and budget to each of the IGA partners no later than August 31. The HARP Authority then adopts its budget after the appropriations of each of the IGA partners have been set by their respective governing bodies.

The HARP Authority is also subject to Colorado state budget law, in which the executive director, on or before October 15, submits to the board of directors a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the board of directors to obtain taxpayer comments. The Authority adopts budgets for all funds. All funds, including the proprietary fund, use the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budgets.

Expenditure estimates in the annual budget are enacted into law by the passage of appropriation resolutions. Budgetary control exists at the total fund level and encumbrance accounting is not employed as a part of the budgetary process. The budget amounts reported reflect all amendments enacted by the Authority and these amendments were approved in accordance with state law.

**HISTORIC ARKANSAS RIVERWALK OF PUEBLO AUTHORITY  
SCHEDULE OF REVENUES AND EXPENDITURES  
RECREATIONAL/ENTERTAINMENT OPERATIONS ENTERPRISE FUND  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted</u> Amount <u>Final</u>	Actual (Non-GAAP Basis)	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>			
Charges for services	\$ 236,250	\$ 237,906	1,656
Miscellaneous	-	269	269
Interest	-	10	10
TOTAL REVENUES	<u>236,250</u>	<u>238,185</u>	<u>1,935</u>
<b>EXPENDITURES</b>			
Current -			
Salaries	72,570	69,478	3,092
Payroll taxes and benefits	8,700	8,318	382
Supplies	9,300	9,055	245
Advertising/logistics	23,500	23,049	451
Utilities and communications	6,200	6,299	(99)
Repairs & maintenance	11,450	8,923	2,527
Administrative support	67,800	67,800	-
Sponsorship, facility, special events	27,600	28,948	(1,348)
Other	9,130	8,211	919
TOTAL EXPENDITURES	<u>236,250</u>	<u>230,081</u>	<u>6,169</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 8,104</u>	<u>\$ 8,104</u>