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## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
The Pueblo Conservancy District  
Pueblo, Colorado

We have compiled the accompanying balance sheets – general fund only – of the Pueblo Conservancy District as of December 31, 2014 and December 31, 2013, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the year ended December 31, 2014 and the year ended December 31, 2013. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*McPherson, Breyfogle, Daveline & Goodrich, PC*

January 27, 2015

PUEBLO CONSERVANCY DISTRICT  
BALANCE SHEET - GENERAL FUND ONLY  
DECEMBER 31, 2014 AND DECEMBER 31, 2013

	<u>12/31/14</u>	<u>12/31/13</u>
<b>ASSETS</b>		
VECTRA BANK CHECKING	\$ 100,656	\$ 519,433
VECTRA BANK MONEY MARKET	11,913	11,907
ABC BANK MONEY MARKET CHECKING	2,501,746	-
BROKERAGE MONEY MARKET ACCOUNTS	165,861	268,940
COLOTRUST INVESTMENT	25,114	25,085
STIFEL NICOLAUS INVESTMENT	262,217	209,174
MORGAN STANLEY INVESTMENT	1,004,961	607,132
ACCRUED INTEREST & OTHER RECEIVABLES	2,629	2,980
MAINTENANCE ASSESSMENTS RECEIVABLE	<u>850,000</u>	<u>858,533</u>
 TOTAL ASSETS	 <u>\$ 4,925,097</u>	 <u>\$ 2,503,184</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
ACCOUNTS PAYABLE	\$ 757,391	\$ 38,425
PAYROLL TAXES PAYABLE	826	1,102
MAINTENANCE FUND REFUND PAYABLE	<u>-</u>	<u>31,288</u>
 TOTAL LIABILITIES	 <u>758,217</u>	 <u>70,815</u>
 DEFERRED INFLOWS OF RESOURCES		
MAINTENANCE ASSESSMENTS	<u>850,000</u>	<u>858,533</u>
 ASSIGNED FUND BALANCE	 2,851,990	 597,152
UNASSIGNED FUND BALANCE	<u>464,890</u>	<u>976,684</u>
	-	-
 TOTAL FUND BALANCE	 <u>3,316,880</u>	 <u>1,573,836</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 4,925,097</u>	 <u>\$ 2,503,184</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT  
 COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -  
 ACTUAL AND BUDGET - GENERAL FUND  
 FOR THE ONE MONTH AND TWELVE MONTHS ENDED DECEMBER 31, 2014  
 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2013

	ACTUAL		2014 BUDGET	UNUSED BUDGET	2013 ACTUAL
	CURRENT MONTH	YEAR TO DATE			
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 3	\$ 29	\$ -	\$ -	\$ 32
MONEY MARKET ACCOUNTS	3	38	-	-	27
ABC BANK	1,747	1,747	-	-	-
WELLS FARGO	-	-	-	-	5,575
STIFEL NICOLAUS	1,558	8,769	-	-	10,857
MORGAN STANLEY	3,661	21,849	-	-	9,447
UNREALIZED GAINS (LOSSES)	(4,606)	11,573	-	-	(33,520)
TOTAL INTEREST INCOME	2,366	44,005	22,000	(22,005)	(7,582)
MAINTENANCE FUND ASSESSMENT	14	852,009	870,000	17,991	914,818
CITY OF PUEBLO MAINT. FUND IGA	-	-	50,000	50,000	50,000
MAINTENANCE FUND REFUND	-	-	-	-	(31,288)
LOAN PROCEEDS	2,500,000	2,500,000	-	-	-
OTHER INCOME	-	-	-	-	275
TOTAL REVENUES	\$ 2,502,380	\$ 3,396,014	\$ 942,000	\$ (2,454,014)	\$ 926,223
EXPENDITURES					
80 LEGAL FEES	\$ 3,525	\$ 9,107	\$ 6,000	\$ (3,107)	\$ 7,551
81 DIRECTORS FEES	1,800	12,000	14,400	2,400	7,200
82 FICA TAXES	413	918	1,102	184	551
83 ENGINEER/ADMINISTRATIVE	800	10,704	7,200	(3,504)	7,607
90 AUDIT & BOOKKEEPING	5,700	16,667	14,200	(2,467)	4,970
92 INSURANCE/BONDS	3,285	6,161	3,500	(2,661)	3,328
96 OFFICE EXPENSE	2,481	3,188	2,000	(1,188)	1,511
97 OFFICE RENT	-	915	1,000	85	840
100 PROFESSIONAL FEES	-	2,614	12,500	9,886	12,197
APPRAISAL	-	-	-	-	30,506
103 TRAVEL	85	182	-	(182)	-
105 REPAIRS & MAINTENANCE	1,505	6,933	18,000	11,067	66,868
MAINTENANCE FUND ASSESSMENT	-	-	-	-	-
PROGRAMMING & MAINTENANCE	-	-	10,000	-	-
CONTRACT ADMIN & OVERSIGHT	-	-	15,000	-	-
ARKANSAS RIVER LEVEE REPAIRS	-	-	15,000	15,000	-
LEVEE CERTIFICATION-PRELIM	-	-	264,250	264,250	-
ARKANSAS RIVER DESIGN/CONSTRUCTIO	1,154,797	1,523,581	700,000	-	-
WILDHORSE/DRY CREEK LEVEE-PRELIM	-	-	-	-	-
WILDHORSE/DRY CREEK LEVEE DESIGN	-	-	350,000	350,000	-
WILDHORSE/DRY CREEK LEVEE CONSTRU	-	-	-	-	-
108 CONTINGENCIES	-	-	20,000	20,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	-
110 CAPITAL IMPROVEMENTS	-	-	5,000	5,000	-
111 PLANNING & DEVELOPMENT	-	-	5,000	5,000	-
112 HARP - O & M / HARP - IGA CNTRB	-	60,000	60,000	-	75,000
TOTAL EXPENDITURES	1,174,391	1,652,970	1,539,152	(113,818)	218,129
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,327,989	\$ 1,743,044	\$ (597,152)	\$ (2,340,196)	\$ 708,094

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT  
INVESTMENTS  
12/31/14

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<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/13</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 12/31/14</u>	<u>INTEREST RECEIVED 12/31/14</u>
<b><u>CASH ACCOUNTS</u></b>										
VECTRA BANK	Money Market Account				11,906.83	5.98	-	-	11,912.81	5.98
STIFEL NICOLAUS	Money Market Account				65,897.59	(54,040.75)	-	-	11,856.84	7.49
MORGAN STANLEY	Cash Sweep Account				203,042.34	(49,038.24)	-	-	154,004.10	25.02
	<b>TOTAL CASH ACCOUNTS WITH BROKERS</b>				<b>280,846.76</b>	<b>(103,073.01)</b>	<b>-</b>	<b>-</b>	<b>177,773.75</b>	<b>38.49</b>
<b><u>INVESTMENTS</u></b>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,085.33	29.20	-	-	25,114.53	29.20
	<b>TOTAL COLOTRUST</b>				<b>25,085.33</b>	<b>29.20</b>	<b>-</b>	<b>-</b>	<b>25,114.53</b>	<b>29.20</b>
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	03/01/17	8.000%	1,120,000.00	861.92	-	(29.28)	356.68	475.96	54.49
	GNMA POOL #676875	03/15/23	6.500%	235,000.00	100,112.19	-	(2,663.53)	22,839.18	74,609.48	5,695.73
	GNMA POOL #003851	05/20/36	5.500%	165,000.00	24,726.10	-	(236.21)	5,794.91	18,694.98	1,100.98
	GNMA POOL #MA0318	08/20/42	3.500%	95,000.00	83,473.47	-	2,843.48	10,581.66	75,735.29	2,770.13
	GNMA POOL #AA5748	10/15/42	4.000%	90,000.00	-	93,457.60	(756.60)	-	92,701.00	(163.07)
	<b>TOTAL STIFEL NICOLAUS INVESTMENT</b>				<b>209,173.68</b>	<b>93,457.60</b>	<b>(842.14)</b>	<b>39,572.43</b>	<b>262,216.71</b>	<b>9,438.26</b>
MORGAN STANLEY	FED NATL MTG ASSN	01/15/14		60,000.00	59,995.80	-	4.20	60,000.00	-	-
	TENN VALLEY AUTH	05/01/16		133,000.00	129,216.15	-	2,300.90	-	131,517.05	-
	FNMA MED TERM NOTE	09/23/17		100,000.00	94,360.00	-	2,120.00	-	96,480.00	-
	FNMA POOL MA0629	01/01/21	3.500%	100,000.00	44,812.78	-	(347.72)	10,990.00	33,475.06	1,310.72
	FNMA	12/27/27	2.500%	220,000.00	-	192,423.00	8,371.00	-	200,794.00	3,561.08
	FNR 2006-107 PD	06/25/35	5.000%	78,000.00	46,919.45	-	(1,495.39)	25,490.27	19,933.79	1,663.79
	GNMA REMIC TRUST 2010-84 NL	12/20/36	3.000%	100,000.00	43,381.44	-	(506.33)	16,421.83	26,453.28	1,050.25
	GNR 2008-7 PN	01/20/37	4.250%	60,000.00	10,266.10	-	(300.65)	3,790.78	6,174.67	337.94
	FHR 3393 BY	11/15/37	5.500%	94,000.00	52,528.78	-	(668.23)	13,250.07	38,610.48	2,272.19
	FHLMC REMIC SERIES 4047 PA	12/15/37	2.000%	230,000.00	187,683.62	-	(345.02)	17,334.20	170,004.40	2,101.65
	FNR 2008-74 B	09/25/38	5.000%	53,000.00	16,423.16	-	(496.43)	5,358.42	10,568.31	673.53
	GNMA 10-85 HQ	03/20/40	5.000%	144,000.00	19,409.18	-	(307.54)	19,101.64	-	415.78
	FNMA REMIC TRUST 2010-141 AL	12/25/40	4.000%	90,000.00	89,819.10	-	6,093.90	-	95,913.00	3,600.00
	FHLMC 4321 YB	07/15/43	3.500%	200,000.00	-	201,960.00	(2,007.29)	24,916.04	175,036.67	4,363.18
	<b>TOTAL MORGAN STANLEY INVESTMENT</b>				<b>607,131.94</b>	<b>582,066.62</b>	<b>12,415.40</b>	<b>196,653.25</b>	<b>1,004,960.71</b>	<b>21,350.11</b>
	<b>TOTAL INVESTMENTS</b>				<b>841,390.95</b>	<b>675,553.42</b>	<b>11,573.26</b>	<b>236,223.68</b>	<b>1,292,291.95</b>	<b>30,837.57</b>
	<b>TOTAL ALL ACCOUNTS</b>				<b>1,122,237.71</b>	<b>572,480.41</b>	<b>11,573.26</b>	<b>236,225.68</b>	<b>1,470,065.70</b>	<b>30,876.06</b>