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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 January 31, 2013 and December 31, 2012, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the one month ended January 31, 2013 and the year ended December 31, 2012. 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*

March 23, 2013

PUEBLO CONSERVANCY DISTRICT  
BALANCE SHEET - GENERAL FUND ONLY  
JANUARY 31, 2013 AND DECEMBER 31, 2012

	<u>01/31/13</u>	<u>12/31/12</u>
<b>ASSETS</b>		
VECTRA BANK CHECKING	\$ 75,172	\$ 34,500
VECTRA BANK MONEY MARKET	11,901	11,901
BROKERAGE MONEY MARKET ACCOUNTS	71,750	131,441
COLOTRUST INVESTMENT	25,057	25,053
WELLS FARGO INVESTMENT	384,717	399,085
STIFEL NICOLAUS INVESTMENT	248,690	260,045
ACCRUED INTEREST	-	5,116
MAINTENANCE ASSESSMENTS RECEIVABLE	<u>314,000</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 1,131,288</u>	 <u>\$ 867,141</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
ACCOUNTS PAYABLE	\$ -	\$ 902
PAYROLL TAXES PAYABLE	<u>543</u>	<u>497</u>
 TOTAL LIABILITIES	 <u>543</u>	 <u>1,399</u>
 DEFERRED INFLOWS OF RECEIVABLES		
MAINTENANCE ASSESSMENTS	<u>314,000</u>	<u>-</u>
 ASSIGNED FUND BALANCE	 310,851	 310,851
UNASSIGNED FUND BALANCE	<u>505,894</u>	<u>554,891</u>
	-	
 TOTAL FUND BALANCE	 <u>816,745</u>	 <u>865,742</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 1,131,288</u>	 <u>\$ 867,141</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT  
 COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -  
 ACTUAL AND BUDGET - GENERAL FUND  
 FOR THE ONE MONTH ENDED JANUARY 31, 2013  
 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2012

	ACTUAL		2013 BUDGET	UNUSED BUDGET	2012 ACTUAL
	CURRENT MONTH	YEAR TO DATE			
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 4	\$ 4	\$ -	\$ -	\$ 56
MONEY MARKET ACCOUNTS	2	2	-	-	21
WELLS FARGO	(739)	(739)	-	-	21,749
STIFEL NICOLAUS	(1,020)	(1,020)	-	-	12,494
UNREALIZED GAINS (LOSSES)	(5,414)	(5,414)	-	-	(13,834)
TOTAL INTEREST INCOME	(7,167)	(7,167)	30,000	37,167	20,486
MAINTENANCE FUND ASSESSMENT	-	-	314,000	314,000	92
CITY OF PUEBLO MAINT. FUND IGA	25,000	25,000	50,000	25,000	-
LEASE PAYMENTS	-	-	-	-	1,042
OTHER INCOME	275	275	-	(275)	-
TOTAL REVENUES	\$ 18,108	\$ 18,108	\$ 394,000	\$ 375,892	\$ 21,620
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 400	\$ 6,000	\$ 5,600	\$ 4,800
81 DIRECTORS FEES	600	600	7,200	6,600	3,735
82 FICA TAXES	-	-	551	551	286
83 ENGINEER/ADMINISTRATIVE	-	-	7,200	7,200	7,219
90 AUDIT & BOOKKEEPING	-	-	4,200	4,200	4,000
92 INSURANCE/BONDS	-	-	3,200	3,200	2,416
96 OFFICE EXPENSE	265	265	500	235	498
97 OFFICE RENT	840	840	1,000	160	840
100 PROFESSIONAL FEES	-	-	10,000	10,000	950
APPRAISAL	-	-	20,000	20,000	146,289
103 TRAVEL	-	-	-	-	-
105 REPAIRS & MAINTENANCE	-	-	20,000	20,000	2,215
ARKANSAS RIVER LEVEE REPAIRS	-	-	125,000	125,000	5,414
LEVEE CERTIFICATION-PRELIM	-	-	165,000	165,000	-
WILDHORSE/DRY CREEK LEVEE-PRELIM	-	-	15,000	15,000	-
WILDHORSE/DRY CREEK LEVEE DESIGN	-	-	50,000	50,000	-
WILDHORSE/DRY CREEK LEVEE CONSTRI	-	-	150,000	150,000	-
108 CONTINGENCIES	-	-	20,000	20,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	7,500
110 CAPITAL IMPROVEMENTS	-	-	5,000	5,000	-
111 PLANNING & DEVELOPMENT	-	-	5,000	5,000	-
112 HARP - O & M / HARP - IGA CNTRB	65,000	65,000	75,000	10,000	45,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	67,105	67,105	704,851	637,746	231,162
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (48,997)	\$ (48,997)	\$ (310,851)	\$ (261,854)	\$ (209,542)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT  
INVESTMENTS  
01/31/13

03/23/14 8 PM

<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/12</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 01/31/13</u>	<u>INTEREST RECEIVED 01/31/13</u>
<b><u>CASH ACCOUNTS</u></b>										
VECTRA BANK	Money Market Account				11,900.86	0.51	-	-	11,901.37	0.51
STIFEL NICOLAUS	Money Market Account				26,568.20	9,022.24	-	-	35,590.44	0.25
WELLS FARGO	Cash Sweep Account				104,872.42	11,287.58	(80,000.00)	-	36,160.00	0.60
<b>TOTAL CASH ACCOUNTS WITH BROKERS</b>					<b>143,341.48</b>	<b>20,310.33</b>	<b>(80,000.00)</b>	<b>-</b>	<b>83,651.81</b>	<b>1.36</b>
<b><u>INVESTMENTS</u></b>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,052.96	3.78	-	-	25,056.74	3.78
<b>TOTAL COLOTRUST</b>					<b>25,052.96</b>	<b>3.78</b>	<b>-</b>	<b>-</b>	<b>25,056.74</b>	<b>3.78</b>
WELLS FARGO	FNMA 06-107 PD REMIC MULTICLASS CMO	06/25/35	5.000%	78,000.00	83,811.78	-	(1,432.86)	-	82,378.92	325.00
	GNMA 08-7 PN REMIC MULTICLASS CMO	01/20/37	4.250%	60,000.00	17,329.97	-	(173.71)	626.21	16,530.05	117.49
	FHLMC 3393 BY REMIC MULTICLASS CPN	11/15/37	5.500%	94,000.00	98,327.20	-	(30.63)	4,204.86	94,091.71	836.29
	FNMA 2008-74B REMIC MULTICLASS CMO	09/25/38	5.000%	50,000.00	27,540.49	-	254.75	1,599.26	26,195.98	125.51
	FHLMC 3626 UA REMIC MULTICLASS CMO	09/15/39	5.000%	50,000.00	2,900.26	-	2.05	2,310.18	592.13	31.40
	GNMA 10-85 HQ REMIC MULTICLASS CMO	03/20/40	5.000%	144,000.00	70,467.43	-	(382.71)	2,546.47	67,538.25	589.67
	FNMA 10-141 AL REMIC MULTICLASS CMO	12/25/40	4.000%	90,000.00	98,707.50	-	(1,317.60)	-	97,389.90	300.00
<b>TOTAL WELLS FARGO</b>					<b>399,084.63</b>	<b>-</b>	<b>(3,080.71)</b>	<b>11,286.98</b>	<b>384,716.94</b>	<b>2,325.36</b>
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	03/01/17	8.000%	1,120,000.00	1,390.86	-	(5.13)	28.18	1,357.55	8.65
	GNMA POOL #676875	03/15/23	6.500%	235,000.00	117,339.56	-	(679.72)	6,734.65	109,925.19	577.08
	GNMA POOL #003851	05/20/36	5.500%	165,000.00	39,657.77	-	(290.03)	1,444.14	37,923.60	172.18
	GNMA POOL #MA0318	08/20/42	3.500%	95,000.00	101,657.02	-	(1,358.44)	815.02	99,483.56	274.59
<b>TOTAL STIFEL NICOLAUS INVESTMENT</b>					<b>260,045.21</b>	<b>-</b>	<b>(2,333.32)</b>	<b>9,021.99</b>	<b>248,689.90</b>	<b>1,032.50</b>
<b>TOTAL INVESTMENTS</b>					<b>684,182.80</b>	<b>3.78</b>	<b>(5,414.03)</b>	<b>20,308.97</b>	<b>658,463.58</b>	<b>3,361.64</b>
<b>TOTAL ALL ACCOUNTS</b>					<b>827,524.28</b>	<b>20,314.11</b>	<b>(85,414.03)</b>	<b>20,308.97</b>	<b>742,115.39</b>	<b>3,363.00</b>

PUEBLO CONSERVANCY DISTRICT

FEBRUARY 2012 - MARCH 2012

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 392.80
First Clearing, LLC	Interest Payment	\$ 731.43
Stifel Nicolaus	Interest Payment	\$ 974.04
Pueblo County Treasurer	Maintenance Fund Assessment Collections	\$ 277,864.60
		\$ 279,962.87

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Colorado Special Districts Property and Liability Pool	District Property and Liability Insurance	\$ 2,592.55	4000	92
HUB International Insurance Services, Inc.	Public Official Bond	\$ 300.00	101	92
BHE	Electrical Billing	Pre-paid		105
MBDG, PC	Bookkeeping	\$ 350.00	102	90
Don Banner - B&B, PC	Attorney Fees	\$ 500.00	103	80
	Assessment related discussions, etc.	\$ 121.50	"	100
Kidd Engineering	Engineer/Admin Fees	\$ 600.00	104	83
	Cordova Memorial charges	\$ 63.67	"	96
Director Cordova	Fees	\$ 184.70	105	81
Director Phillips	Fees	\$ 184.70	106	81
Director Willumstad	Fees	\$ 184.70	107	81
Pueblo Chieftain	2013 Meeting Schedule Publishing	\$ 63.84	108	96
NorthStar Engineering	Assessment Phase III Services	\$ 965.00	109	100
		\$ 3,218.11		