



McPherson,
Breyfogle,
Daveline &
Goodrich, PC
Certified Public Accountants

503 N Main, Suite 740

Pueblo, CO 81003

Phone (719) 543-0516

Fax (719) 544-2849

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, 2014 and December 31, 2013, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the one month ended January 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.

February 25, 2014

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

	<u>1/31/2014</u>	<u>12/31/2013</u>
ASSETS		
VECTRA BANK CHECKING	\$ 479,026	\$ 519,433
VECTRA BANK MONEY MARKET	11,907	11,907
BROKERAGE MONEY MARKET ACCOUNTS	339,309	268,940
COLOTRUST INVESTMENT	25,088	25,085
STIFEL NICOLAUS INVESTMENT	208,787	209,174
MORGAN STANLEY INVESTMENT	544,017	607,132
ACCRUED INTEREST & OTHER RECEIVABLES	-	2,527
MAINTENANCE ASSESSMENTS RECEIVABLE	<u>858,533</u>	<u>858,533</u>
 TOTAL ASSETS	 <u>\$ 2,466,667</u>	 <u>\$ 2,502,731</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
ACCOUNTS PAYABLE	\$ -	\$ 38,425
PAYROLL TAXES PAYABLE	46	1,102
MAINTENANCE FUND REFUND PAYABLE	<u>31,288</u>	<u>31,288</u>
 TOTAL LIABILITIES	 <u>31,334</u>	 <u>70,815</u>
 DEFERRED INFLOWS OF RESOURCES MAINTENANCE ASSESSMENTS	 <u>858,533</u>	 <u>858,533</u>
 ASSIGNED FUND BALANCE	 597,152	 597,152
UNASSIGNED FUND BALANCE	<u>979,648</u>	<u>976,231</u>
 TOTAL FUND BALANCE	 <u>1,576,800</u>	 <u>1,573,383</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 2,466,667</u>	 <u>\$ 2,502,731</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
 COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
 ACTUAL AND BUDGET - GENERAL FUND
 FOR THE MONTH ENDED JANUARY 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	\$ 2	\$ 2	\$ -	\$ -	\$ 32
MONEY MARKET ACCOUNTS	3	3	-	-	27
WELLS FARGO	-	-	-	-	5,575
STIFEL NICOLAUS	(391)	(391)	-	-	10,404
MORGAN STANLEY	-	-	-	-	9,447
UNREALIZED GAINS (LOSSES)	5,743	5,743	-	-	(33,520)
TOTAL INTEREST INCOME	5,357	5,357	22,000	16,643	(8,035)
MAINTENANCE FUND ASSESSMENT	-	-	870,000	870,000	914,818
CITY OF PUEBLO MAINT. FUND IGA	-	-	50,000	50,000	50,000
MAINTENANCE FUND REFUND	-	-	-	-	(31,288)
OTHER INCOME	-	-	-	-	275
TOTAL REVENUES	\$ 5,357	\$ 5,357	\$ 942,000	\$ 936,643	\$ 925,770
EXPENDITURES					
80 LEGAL FEES	\$ 500	\$ 500	\$ 6,000	\$ 5,500	\$ 7,551
81 DIRECTORS FEES	600	600	14,400	13,800	7,200
82 FICA TAXES	-	-	1,102	1,102	551
83 ENGINEER/ADMINISTRATIVE	-	-	7,200	7,200	7,607
90 AUDIT & BOOKKEEPING	-	-	14,200	14,200	4,970
92 INSURANCE/BONDS	-	-	3,500	3,500	3,328
96 OFFICE EXPENSE	-	-	2,000	2,000	1,511
97 OFFICE RENT	840	840	1,000	160	840
100 PROFESSIONAL FEES	-	-	12,500	12,500	12,197
APPRaisal	-	-	-	-	30,506
103 TRAVEL	-	-	-	-	-
105 REPAIRS & MAINTENANCE	-	-	18,000	18,000	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	-	-	700,000	-	-
WILDHORSE/DRY CREEK LEVEE-PRELIM	-	-	-	-	-
WILDHORSE/DRY CREEK LEVEE DESIGN	-	-	350,000	350,000	-
WILDHORSE/DRY CREEK LEVEE CONSTRI	-	-	-	-	-
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	1,940	1,940	1,539,152	1,537,212	218,129
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 3,417	\$ 3,417	\$ (597,152)	\$ (600,569)	\$ 707,641

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PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
1/3/2014

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<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/2013</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 1/31/2014</u>	<u>INTEREST RECEIVED 1/31/2014</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account									
STIFEL NICOLAUS	Money Market Account				11,906.83	0.51	-	-	11,907.34	0.51
MORGAN STANLEY	Cash Sweep Account				65,897.59	2,110.74	-	-	68,008.33	0.56
					203,042.34	68,257.97	-	-	271,300.31	1.90
	TOTAL CASH ACCOUNTS WITH BROKERS				280,846.76	70,369.22	-	-	351,215.98	2.97
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,085.33	2.48	-	-	25,087.81	2.48
	TOTAL COLOTRUST				25,085.33	2.48	-	-	25,087.81	2.48
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	861.92	-	(2.59)	27.94	831.39	5.58
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	100,112.19	-	31.12	735.89	99,407.42	499.47
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	24,726.10	-	(36.10)	619.81	24,070.19	105.19
	GNMA POOL #MA0318	8/20/1942	3.500%	95,000.00	83,473.47	-	1,731.31	726.54	84,478.24	243.05
	TOTAL STIFEL NICOLAUS INVESTMENT				209,173.68	-	1,723.74	2,110.18	208,787.24	853.29
MORGAN STANLEY	FED NATL MTG ASSN	1/15/2014		60,000.00	59,995.80	-	4.20	60,000.00	-	-
	TENN VALLEY AUTH	5/1/2016		133,000.00	129,216.15	-	397.67	-	129,613.82	-
	FNMA MED TERM NOTE	9/23/2017		100,000.00	94,360.00	-	743.00	-	95,103.00	-
	FNMA POOL MA0629	1/1/2021	3.500%	100,000.00	44,812.78	-	289.76	1,037.16	44,065.38	124.34
	FNR 2006-107 PD	6/25/1935	5.000%	78,000.00	46,919.45	-	(151.38)	2,390.33	44,377.74	188.02
	GNMA REMIC TRUST 2010-84 NL	12/20/1936	3.000%	100,000.00	43,381.44	-	4.18	1,276.41	42,109.21	105.81
	GNR 2008-7 PN	1/20/1937	4.250%	60,000.00	10,266.10	-	(22.69)	387.90	9,855.51	34.55
	FHR 3393 BY	11/15/1937	5.500%	94,000.00	52,528.78	-	224.24	1,090.59	51,662.43	220.91
	FNR 2008-74 B	9/25/1938	5.500%	53,000.00	16,423.16	-	55.91	602.91	15,876.16	68.94
	GNMA 10-85 HQ	3/20/1940	5.000%	144,000.00	19,409.18	-	(27.74)	348.52	19,032.92	79.59
	FNMA REMIC TRUST 2010-141 AL	12/25/1940	4.000%	90,000.00	89,819.10	-	2,502.00	-	92,321.10	300.00
	TOTAL MORGAN STANLEY INVESTMENT				607,131.94	-	4,019.15	67,133.82	544,017.27	1,122.16
	TOTAL INVESTMENTS				841,390.95	2.48	5,742.89	69,244.00	777,892.32	1,977.93
	TOTAL ALL ACCOUNTS				1,122,237.71	70,371.70	5,742.89	69,244.00	1,129,108.30	1,980.90