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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Pueblo Conservancy District
Pueblo, Colorado

Management is responsible for the accompanying balance sheets - general fund only of Pueblo Conservancy District (the District) as of January 31, 2016 and December 31, 2015, and the related statements of revenues and expenditures - general fund for the one month ended January 31, 2016 and the year ended December 31, 2015, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these 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, the financial statements are not designed for those who are not informed about such matters.

Required Supplementary Information

Management has omitted the management's discussion and analysis and the budgetary comparison schedule for the general fund that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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.

Supplementary Information

The supplementary information (current year budget amounts reported in the statement of revenues and expenditures of the general fund) is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

McPherson, Breyfogle, Daveline & Goodrich, PC

April 26, 2016

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
JANUARY 31, 2016 AND DECEMBER 31, 2015

	<u>1/31/2016</u>	<u>12/31/2015</u>
ASSETS		
VECTRA BANK CHECKING	\$ 130,183	\$ 133,478
VECTRA BANK MONEY MARKET	11,919	11,919
ABC BANK MONEY MARKET CHECKING	2,162	2,157
BROKERAGE MONEY MARKET ACCOUNTS	221,024	200,765
CANON NAT'L TRUST ACCT	(2,492)	(10)
COLOTRUST INVESTMENT	25,168	25,159
STIFEL NICOLAUS INVESTMENT	261,391	262,577
MORGAN STANLEY INVESTMENT	816,100	819,209
ACCRUED INTEREST & OTHER RECEIVABLES	-	2,410
MAINTENANCE ASSESSMENTS RECEIVABLE	<u>1,015,000</u>	<u>1,015,000</u>
 TOTAL ASSETS	 <u>\$ 2,480,455</u>	 <u>\$ 2,472,664</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
ACCOUNTS PAYABLE	\$ -	\$ 12,416
MAINTENANCE FUND REFUND PAYABLE	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>-</u>	 <u>12,416</u>
 DEFERRED INFLOWS OF RESOURCES		
MAINTENANCE ASSESSMENTS	<u>1,015,000</u>	<u>1,015,000</u>
 ASSIGNED FUND BALANCE	 1,445,248	 1,445,248
UNASSIGNED FUND BALANCE	<u>20,207</u>	<u>-</u>
 TOTAL FUND BALANCE	 <u>1,465,455</u>	 <u>1,445,248</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 2,480,455</u>	 <u>\$ 2,472,664</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, 2016
 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2015

	ACTUAL		2016 BUDGET	UNUSED BUDGET	2015 ACTUAL
	CURRENT MONTH	YEAR TO DATE			
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 9	\$ 9	\$ -	\$ -	\$ 44
MONEY MARKET ACCOUNTS	2	2	-	-	25
ABC BANK	5	5	-	-	12,213
STIFEL NICOLAUS	(391)	(391)	-	-	10,924
MORGAN STANLEY	397	397	-	-	20,659
UNREALIZED GAINS (LOSSES)	14,496	14,496	-	-	3,342
TOTAL INTEREST INCOME	14,518	14,518	21,000	6,482	47,207
MAINTENANCE FUND ASSESSMENT	20	20	1,015,000	1,014,980	855,527
CITY OF PUEBLO MAINT. FUND IGA	-	-	-	-	77,500
MAINTENANCE FUND REFUND	-	-	-	-	-
LOAN PROCEEDS	24,984	24,984	-	-	2,593,702
OTHER INCOME	-	-	-	-	-
TOTAL REVENUES	\$ 39,522	\$ 39,522	\$ 1,036,000	\$ 996,478	\$ 3,573,936
EXPENDITURES					
80 LEGAL FEES	\$ -	\$ -	\$ 36,000	\$ 36,000	\$ 23,762
81 DIRECTORS FEES	1,800	1,800	21,600	19,800	21,600
83 ENGINEER/ADMINISTRATIVE	-	-	20,400	20,400	15,765
90A BOOKKEEPING & AUDIT PREP	-	-	10,500	10,500	18,377
90B AUDIT	-	-	6,000	-	-
92 INSURANCE/BONDS	300	300	3,500	3,200	2,503
96 OFFICE EXPENSE	(10)	(10)	1,000	1,010	967
97 OFFICE RENT/STORAGE	1,050	1,050	1,050	-	1,050
100 PROFESSIONAL FEES	-	-	12,500	12,500	3,000
APPRaisal	-	-	-	-	-
103 TRAVEL	-	-	2,400	2,400	508
105 REPAIRS & MAINTENANCE	-	-	8,500	8,500	23,806
105A MAINTENANCE FUND ASSESSMENT PROGRAMMING & MAINTENANCE	-	-	1,000	1,000	5,571
108 CONTINGENCIES	-	-	20,000	20,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	-
110 CAPITAL IMPROVEMENTS	16,175	16,175	5,000	(11,175)	171,187
PLANNING & DEVELOPMENT	-	-	10,000	10,000	-
110A CONTRACT ADMIN & OVERSIGHT	-	-	35,000	35,000	39,674
110B ARKANSAS RIVER PHASE 3 LEVEE DESIGN	-	-	50,000	50,000	-
110C ARKANSAS RIVER PHASE 2&3 STAKING AS-BUILTS, CO	-	-	45,000	45,000	-
110D ARKANSAS RIVER PHASE 2 CONSTRUCTION	-	-	1,200,000	1,200,000	-
110E ARKANSAS RIVER PHASE 3 CONSTRUCTION	-	-	500,000	500,000	-
110F ARKANSAS RIVER LEVEE CERTIFICATION DESIGN &/OR CONSTRUCTION	-	-	-	-	2,497,273
110G WILDHORSE/DRY CREEK LEVEE CONSTRUCT	-	-	1,500,000	1,500,000	-
110H WILDHORSE/DRY CREEK STAKING, AS-BUILTS, CO	-	-	45,000	45,000	-
110I WILDHORSE/DRY CREEK LEVEE-DESIGN PRELIMINARY DESIGN	-	-	-	-	-
110J WILDHORSE/DRY CREEK LEVEE DESIGN &/OR CONSTRUCTION	-	-	-	-	-
112A HARP - O & M	-	-	10,000	10,000	60,000
112B HARP IGA CONTRIBUTION	-	-	50,000	-	-
113 CONSTRUCTION LOAN PAYMENT	-	-	700,000	700,000	2,554,542
TOTAL EXPENDITURES	19,315	19,315	4,309,450	4,290,135	5,439,585
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 20,207	\$ 20,207	\$ (3,273,450)	\$ (3,293,657)	\$ (1,865,649)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
1/31/2016

2/22/20 3 PM

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2015	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 1/31/2016	INTEREST RECEIVED 1/31/2016
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,918.78	0.47	-	-	11,919.25	0.47
STIFEL NICOLAUS	Money Market Account				6,708.08	3,015.26	-	-	9,723.34	0.09
MORGAN STANLEY	Cash Sweep Account				194,057.38	17,243.20	-	-	211,300.58	1.72
	TOTAL CASH ACCOUNTS WITH BROKERS				212,684.24	20,258.93	-	-	232,943.17	2.28
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,158.66	8.95	-	-	25,167.61	8.95
	TOTAL COLOTRUST				25,158.66	8.95	-	-	25,167.61	8.95
STIFEL NICOLAUS	FEDL HOME LN MGTG CORP #170217	3/1/2017	8.000%	1,120,000.00	207.63	-	(0.20)	15.20	192.23	1.51
	GNMA POOL #675875	3/15/2023	6.500%	235,000.00	65,494.29	-	382.91	642.59	65,234.61	334.26
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	13,961.75	-	5.24	326.74	13,640.25	58.92
	GNMA POOL #MA0318	8/20/2042	3.500%	95,000.00	61,365.14	-	662.37	938.21	61,089.30	173.42
	GNMA POOL #AA5748	10/15/1942	4.000%	90,000.00	89,745.13	-	614.27	441.83	89,917.57	282.22
	GNMA POOL #MA1839	4/20/2044	4.000%	50,000.00	31,802.63	-	165.04	650.60	31,317.07	101.32
	TOTAL STIFEL NICOLAUS INVESTMENT				262,576.57	-	1,829.63	3,015.17	261,391.03	951.65
MORGAN STANLEY	TENN VALLEY AUTH	5/1/2016		133,000.00	132,760.60	-	131.67	-	132,892.27	-
	FNMA MED TERM NOTE	9/23/2017		100,000.00	97,967.00	-	554.00	-	98,521.00	-
	FNMA POOL MA0629	1/1/2021	3.500%	100,000.00	23,490.42	-	168.44	753.01	22,905.85	65.39
	FNMA	12/27/2027	2.500%	220,000.00	209,063.80	-	6,534.00	-	215,597.80	458.33
	FNR 2006-107 PD	6/25/2035	5.000%	78,000.00	2,888.91	-	(4.27)	1,064.68	1,819.96	12.01
	GNMA REMIC TRUST 2010-84 NL	12/20/2036	3.000%	100,000.00	8,446.15	-	(13.16)	1,258.11	7,174.88	20.98
	GNR 2008-7 PN	1/20/2037	4.250%	60,000.00	3,835.07	-	(0.87)	126.26	3,707.94	13.21
	FHR 3393 BY	11/15/2037	5.500%	94,000.00	29,707.43	-	67.01	724.58	29,049.86	121.99
	FHLMC REMIC SERIES 4047 PA	12/15/2037	2.000%	230,000.00	135,386.74	-	2,031.51	3,291.10	134,127.15	226.20
	FNR 2008-74 B	9/25/2038	5.500%	53,000.00	8,832.77	-	26.84	28.14	8,831.47	36.31
	FNMA REMIC TRUST 2010-141 AL	12/25/2040	4.000%	90,000.00	95,531.40	-	2,376.90	-	97,908.30	300.00
	FHLMC 4321 YB	7/15/2043	3.500%	200,000.00	71,298.89	-	794.79	8,530.45	63,563.23	210.73
	TOTAL MORGAN STANLEY INVESTMENT				819,209.18	-	12,666.86	15,776.33	816,099.71	1,465.15
	TOTAL INVESTMENTS				1,106,944.41	8.95	14,496.49	18,791.50	1,102,658.35	2,425.75
	TOTAL ALL ACCOUNTS				1,319,628.65	20,267.88	14,496.49	18,791.50	1,335,601.52	2,428.03