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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 October 31, 2015 and December 31, 2014, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the one month and ten months ended October 31, 2015 and the year ended December 31, 2014. 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

November 17, 2015

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
OCTOBER 31, 2015 AND DECEMBER 31, 2014

	<u>10/31/2015</u>	<u>12/31/2014</u>
ASSETS		
VECTRA BANK CHECKING	\$ 140,649	\$ 100,656
VECTRA BANK MONEY MARKET	11,918	11,913
ABC BANK MONEY MARKET CHECKING	2,148	2,501,746
BROKERAGE MONEY MARKET ACCOUNTS	175,537	165,861
COLOTRUST INVESTMENT	25,147	25,114
STIFEL NICOLAUS INVESTMENT	269,813	262,217
MORGAN STANLEY INVESTMENT	843,385	1,004,961
ACCRUED INTEREST & OTHER RECEIVABLES	-	2,629
MAINTENANCE ASSESSMENTS RECEIVABLE	<u>6,973</u>	<u>850,000</u>
 TOTAL ASSETS	 <u>\$ 1,475,570</u>	 <u>\$ 4,925,097</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
ACCOUNTS PAYABLE	\$ -	\$ 757,391
PAYROLL TAXES PAYABLE	-	826
MAINTENANCE FUND REFUND PAYABLE	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>-</u>	 <u>758,217</u>
 DEFERRED INFLOWS OF RESOURCES		
MAINTENANCE ASSESSMENTS	<u>6,973</u>	<u>850,000</u>
 ASSIGNED FUND BALANCE	 2,851,990	 2,851,990
UNASSIGNED FUND BALANCE	<u>(1,383,393)</u>	<u>464,890</u>
 TOTAL FUND BALANCE	 <u>1,468,597</u>	 <u>3,316,880</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 1,475,570</u>	 <u>\$ 4,925,097</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
 COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
 ACTUAL AND BUDGET - GENERAL FUND
 FOR THE TEN MONTHS ENDED OCTOBER 31, 2015
 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2014

	ACTUAL		2015 BUDGET	UNUSED BUDGET	2014 ACTUAL
	CURRENT MONTH	YEAR TO DATE			
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 5	\$ 33	\$ -	\$ -	\$ 29
MONEY MARKET ACCOUNTS	2	20	-	-	38
ABC BANK	4	12,204	-	-	1,747
STIFEL NICOLAUS	815	7,852	-	-	8,769
MORGAN STANLEY	1,581	16,593	-	-	21,849
UNREALIZED GAINS (LOSSES)	(697)	12,530	-	-	11,573
TOTAL INTEREST INCOME	1,710	49,232	21,000	(28,232)	44,005
MAINTENANCE FUND ASSESSMENT	4,967	843,027	850,000	6,973	852,009
CITY OF PUEBLO MAINT. FUND IGA	-	77,500	77,500	-	-
MAINTENANCE FUND REFUND	-	-	-	-	-
LOAN PROCEEDS	-	-	-	-	-
OTHER INCOME	-	-	-	-	2,500,000
TOTAL REVENUES	\$ 6,677	\$ 969,759	\$ 948,500	\$ (21,259)	\$ 3,396,014
EXPENDITURES					
80 LEGAL FEES	\$ 500	\$ 5,225	\$ 6,000	\$ 775	\$ 9,107
81 DIRECTORS FEES	1,800	18,000	21,600	3,600	12,000
82 FICA TAXES	-	-	-	-	918
83 ENGINEER/ADMINISTRATIVE	1,200	11,850	15,000	3,150	10,704
90 AUDIT & BOOKKEEPING	13,837	17,252	16,200	(1,052)	16,667
92 INSURANCE/BONDS	-	411	3,500	3,089	6,161
96 OFFICE EXPENSE	-	636	1,000	364	3,188
97 OFFICE RENT	-	1,050	1,050	-	915
100 PROFESSIONAL FEES	-	-	12,500	12,500	2,614
APPRAISAL	-	-	-	-	-
103 TRAVEL	-	429	2,400	1,971	182
105 REPAIRS & MAINTENANCE	-	12,848	8,500	(4,348)	6,933
MAINTENANCE FUND ASSESSMENT	-	-	-	-	-
PROGRAMMING & MAINTENANCE	-	1,600	1,000	(600)	-
CONTRACT ADMIN & OVERSIGHT	-	39,674	35,000	(4,674)	-
ARKANSAS RIVER LEVEE REPAIRS	-	-	-	-	-
LEVEE CERTIFICATION-PRELIM	-	-	-	-	-
ARKANSAS RIVER DESIGN/CONSTRUCTIO	-	2,497,273	2,971,740	-	1,523,581
WILDHORSE/DRY CREEK LEVEE-PRELIM	-	-	-	-	-
WILDHORSE/DRY CREEK LEVEE DESIGN	-	-	100,000	100,000	-
WILDHORSE/DRY CREEK LEVEE CONSTRU	-	-	-	-	-
108 CONTINGENCIES	-	-	20,000	20,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	-
110 CAPITAL IMPROVEMENTS	41,382	91,269	5,000	(86,269)	(91,269)
PLANNING & DEVELOPMENT	-	-	5,000	5,000	-
112 HARP - O & M / HARP - IGA CNTRB	-	60,000	60,000	-	-
113 LOAN PRINCIPAL AND INTEREST	54,542	54,542	500,000	445,458	60,000
TOTAL EXPENDITURES	113,261	2,812,059	3,800,490	988,431	1,561,701
EXCESS (DEFICIENCY) OF REVENUES	\$ (106,584)	\$ (1,842,300)	\$ (2,851,990)	\$ (1,009,690)	\$ 1,834,313
OVER EXPENDITURES					

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
10/31/2015

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<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/2014</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 10/31/2015</u>	<u>INTEREST RECEIVED 10/31/2015</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,912.81	4.95	-	-	11,917.76	4.95
STIFEL NICOLAUS	Money Market Account				11,856.84	(10,606.47)	-	-	1,250.37	1.82
MORGAN STANLEY	Cash Sweep Account				154,004.10	195,283.11	-	175,000.00	174,287.21	13.54
TOTAL CASH ACCOUNTS WITH BROKERS					<u>177,773.75</u>	<u>184,681.59</u>	-	<u>175,000.00</u>	<u>187,455.34</u>	<u>20.31</u>
<u>INVESTMENTS</u>										
COLOTRUST	Accl. 7081 - PLUS		6.240%		25,114.53	32.79	-	-	25,147.32	32.79
TOTAL COLOTRUST					<u>25,114.53</u>	<u>32.79</u>	-	-	<u>25,147.32</u>	<u>32.79</u>
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	475.96	-	(13.70)	213.15	249.11	25.74
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	74,609.48	-	(829.53)	6,343.04	67,436.91	3,637.13
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	18,694.98	-	614.46	4,277.11	15,032.33	702.70
	GNMA POOL #MA0318	8/20/2042	3.500%	95,000.00	75,735.29	-	(1,692.86)	10,559.19	63,483.24	1,985.12
	GNMA POOL #AA5748	10/15/1942	4.000%	90,000.00	92,701.00	-	(766.40)	1,508.36	90,426.24	2,572.09
	GNMA POOL #MA1839	4/20/2044	4.000%	50,000.00	33,446.99	-	(261.76)	-	33,185.23	(62.15)
TOTAL STIFEL NICOLAUS INVESTMENT					<u>295,663.70</u>	-	<u>(2,949.79)</u>	<u>22,900.85</u>	<u>269,813.06</u>	<u>8,860.63</u>
MORGAN STANLEY										
	TENN VALLEY AUTH	5/1/2016		133,000.00	131,517.05	-	1,106.56	-	132,623.61	-
	FNMA MED TERM NOTE	9/23/2017		100,000.00	96,480.00	-	1,721.00	-	98,201.00	-
	FNMA POOL MA0629	1/1/2021	3.500%	100,000.00	33,475.06	-	(498.13)	7,877.05	25,099.88	816.93
	FNMA	12/27/2027	2.500%	220,000.00	200,794.00	-	11,360.80	-	212,154.80	4,583.30
	FNR 2006-107 PD	6/25/2035	5.000%	78,000.00	19,933.79	-	(268.75)	14,013.03	5,652.01	560.68
	GNMA REMIC TRUST 2010-84 NL	12/20/2036	3.000%	100,000.00	26,453.28	-	(470.46)	15,184.82	10,798.00	481.18
	GNR 2008-7 FN	1/20/2037	4.250%	60,000.00	6,174.67	-	(79.10)	1,803.92	4,291.65	179.54
	FHR 3393 BY	11/15/2037	5.500%	94,000.00	38,610.48	-	(444.99)	7,547.03	30,618.46	1,451.61
	FHLMC REMIC SERIES 4047 PA	12/15/2037	2.000%	230,000.00	170,004.40	-	1,967.55	31,086.69	140,885.26	2,632.10
	FNR 2008-74 B	9/25/2038	5.500%	53,000.00	10,568.31	-	209.88	876.39	9,901.80	421.83
	FNMA REMIC TRUST 2010-141 AL	12/25/2040	4.000%	90,000.00	95,913.00	-	586.80	-	96,499.80	3,000.00
	FHLMC 4321 YB	7/15/2043	3.500%	200,000.00	175,036.67	-	288.75	98,667.16	76,658.26	4,086.31
TOTAL MORGAN STANLEY INVESTMENT					<u>1,004,960.71</u>	-	<u>15,479.91</u>	<u>177,056.09</u>	<u>843,384.53</u>	<u>18,213.48</u>
TOTAL INVESTMENTS					<u>1,325,738.94</u>	<u>32.79</u>	<u>12,530.12</u>	<u>199,956.94</u>	<u>1,138,344.91</u>	<u>27,106.90</u>
TOTAL ALL ACCOUNTS					<u>1,503,512.69</u>	<u>184,714.38</u>	<u>12,530.12</u>	<u>374,956.94</u>	<u>1,325,800.25</u>	<u>27,127.21</u>