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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 November 30, 2012 and December 31, 2011, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the one month and eleven months ended November 30, 2012 and the year ended December 31, 2011. 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

December 17, 2012

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
NOVEMBER 30, 2012 AND DECEMBER 31, 2011

	<u>11/30/2012</u>	<u>12/31/2011</u>
ASSETS		
VECTRA BANK CHECKING	\$ 49,170	\$ 151,933
VECTRA BANK MONEY MARKET	11,900	11,895
BROKERAGE MONEY MARKET ACCOUNTS	117,888	115,624
COLOTRUST INVESTMENT	25,048	25,000
WELLS FARGO INVESTMENT	410,671	513,045
STIFEL NICOLAUS INVESTMENT	263,694	256,208
ACCRUED INTEREST	-	3,793
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TOTAL ASSETS	<u>\$ 878,371</u>	<u>\$ 1,077,498</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 837
PAYROLL TAXES PAYABLE	201	335
DEFERRED INCOME	-	1,042
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TOTAL LIABILITIES	201	2,214
ASSIGNED FUND BALANCE	204,130	204,130
UNASSIGNED FUND BALANCE	674,040	871,154
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TOTAL FUND EQUITY	878,170	1,075,284
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TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 878,371</u>	<u>\$ 1,077,498</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
 COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
 ACTUAL AND BUDGET - GENERAL FUND
 FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 2012
 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2011

	ACTUAL		2012 BUDGET	UNUSED BUDGET	2011 ACTUAL
	CURRENT MONTH	YEAR TO DATE			
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 5	\$ 52	\$ -	\$ -	\$ 31
MONEY MARKET ACCOUNTS	1	21	-	-	23
WELLS FARGO	2,480	17,929	-	-	26,057
STIFEL NICOLAUS	1,084	9,385	-	-	15,064
UNREALIZED GAINS (LOSSES)	(1,754)	(12,152)	-	-	21,969
TOTAL INTEREST INCOME	1,816	15,235	40,000	24,765	63,144
MAINTENANCE FUND ASSESSMENT	7	91	-	(91)	180,092
LEASE PAYMENTS	-	1,042	2,500	1,458	2,500
OTHER INCOME	-	-	-	-	15,132
TOTAL REVENUES	\$ 1,823	\$ 16,368	\$ 42,500	\$ 26,132	\$ 260,868
EXPENDITURES					
80 LEGAL FEES	\$ 400	\$ 4,400	\$ 4,800	\$ 400	\$ 17,013
81 DIRECTORS FEES	1,755	3,555	2,160	(1,395)	2,520
82 FICA TAXES	-	-	230	230	193
83 ENGINEER/ADMINISTRATIVE	656	5,843	6,000	157	6,688
90 AUDIT & BOOKKEEPING	325	3,350	3,900	550	3,600
92 INSURANCE/BONDS	-	2,416	3,200	784	3,056
96 OFFICE EXPENSE	-	422	500	78	904
97 OFFICE RENT	-	840	840	-	915
100 PROFESSIONAL FEES	-	950	10,000	9,050	4,540
APPRAISAL	11,991	131,576	30,000	(101,576)	-
103 TRAVEL	-	-	-	-	-
105 REPAIRS & MAINTENANCE	600	2,215	20,000	17,785	20,316
ARKANSAS RIVER LEVEE REPAIRS	-	5,414	50,000	44,586	194,174
WILDHORSE/DRY CREEK LEVEE	-	-	20,000	20,000	-
LEVEE CERTIFICATION-PRELIM	-	-	25,000	25,000	-
108 CONTINGENCIES	-	-	5,000	5,000	-
109 EMERGENCY REPAIR	-	7,500	15,000	7,500	-
110 CAPITAL IMPROVEMENTS	-	-	-	-	-
111 PLANNING & DEVELOPMENT	-	-	5,000	5,000	1,453
112 HARP - O & M / HARP - IGA CNTRB	-	45,000	45,000	-	60,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	15,727	213,481	246,630	33,149	315,372
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (13,904)	\$ (197,113)	\$ (204,130)	\$ (7,017)	\$ (54,504)

SEE ACCOUNTANTS' COMPILATION REPORT

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2011	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 11/30/2012	INTEREST RECEIVED 11/30/2012
CASH ACCOUNTS										
VECTRA BANK	Money Market Account				11,894.90	5.46	-	-	11,900.36	5.46
STIFEL NICOLAUS	Money Market Account				38,326.34	91,172.57	-	105,844.99	23,653.92	4.98
WELLS FARGO	Cash Sweep Account				77,297.91	96,936.09	-	80,000.00	94,234.00	10.40
TOTAL CASH ACCOUNTS WITH BROKERS										
					127,519.15	188,114.12	-	185,844.99	129,788.28	20.84
INVESTMENTS										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	48.57	-	-	25,048.57	53.26
TOTAL COLOTRUST										
					25,000.00	48.57	-	-	25,048.57	53.26
WELLS FARGO	FNMA 06-107 PD REMIC MULTICLASS CMO	6/25/2035	5.000%	78,000.00	86,441.16	-	(2,098.98)	-	84,342.18	3,575.00
	GNMA 08-7 PN REMIC MULTICLASS CMO	1/20/2037	4.250%	60,000.00	26,431.66	-	(467.79)	8,046.59	17,917.28	924.59
	FHLMC 3393 BY REMIC MULTICLASS CPN	11/15/2037	5.500%	94,000.00	106,931.58	-	(3,951.45)	903.03	102,077.10	4,739.13
	FNMA 2008-74B REMIC MULTICLASS CMO	9/25/1938	5.000%	50,000.00	48,212.50	-	(1,949.50)	15,744.72	30,518.28	1,802.02
	FHLMC 3626 UA REMIC MULTICLASS CMO	9/15/2039	5.000%	50,000.00	27,113.84	-	(193.25)	22,288.84	4,631.75	771.36
	GNMA 10-62 LA REMIC MULTICLASS CMO	1/20/2040	4.500%	50,000.00	15,722.04	-	(126.15)	15,595.89	-	265.64
	GNMA 10-85 HQ REMIC MULTICLASS CMO	3/20/2040	5.000%	144,000.00	107,620.48	-	(644.45)	34,346.62	72,629.41	4,623.21
	FNMA 10-141 AL REMIC MULTICLASS CMO	12/25/2040	4.000%	90,000.00	94,572.00	-	3,982.50	-	98,554.50	3,300.00
TOTAL WELLS FARGO										
					513,045.26	-	(5,449.07)	96,925.69	410,670.50	20,000.95
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	1,877.60	-	(27.40)	425.89	1,424.31	116.23
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	150,006.43	-	(2,020.06)	29,855.05	118,131.32	7,755.00
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	59,256.11	-	(2,851.90)	15,022.09	41,382.12	2,382.22
	GNMA REMIC SER 2010-98	7/20/2039	4.000%	70,000.00	45,067.27	-	137.35	45,204.62	-	1,062.53
	GNMA POOL #MA0318	8/20/1942	3.500%	95,000.00	105,356.48	-	(1,940.70)	659.94	102,755.84	(212.00)
TOTAL STIFEL NICOLAUS INVESTMENT										
					361,563.89	-	(6,702.71)	91,167.59	263,693.59	11,103.98
TOTAL INVESTMENTS										
					899,609.15	48.57	(12,151.78)	188,093.28	699,412.66	31,158.19
TOTAL ALL ACCOUNTS										
					1,027,128.30	188,162.69	(12,151.78)	373,938.27	829,200.94	31,179.03

PUEBLO CONSERVANCY DISTRICT

DECEMBER 2012 - JANUARY 2013

RECEIPTS

VENDOR	ITEM	AMOUNT
First Clearing, LLC	Interest Payment	\$ 755.60
First Clearing, LLC	Interest Payment	\$ 358.85
First Clearing, LLC	Interest Payment	\$ 750.51
Stifel Nicolaus	Interest Payment	\$ 1,057.20
Stifel Nicolaus	Interest Payment	\$ 1,032.50
Wells Fargo / ColoTrust	Dividend	
City of Pueblo	Maintenance Fund Assessment Agreement	\$ 25,000.00
		\$ 28,954.66

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Black Hills Energy	Electrical Billing	Prepaid		105
MBDG, PC	Bookkeeping	\$ 325.00	3978	90
Don Banner - B&B, PC	Attorney Fees	\$ 400.00	3979	80
	Filing Fee	\$ 27.00	"	96
Kidd Engineering	Engineer/Admin Fees	\$ 500.00	3980	83
Director Cordova	Fees	\$ 184.70	3981	81
Director Phillips	Fees	\$ 184.70	3982	81
Director Willumstad	Fees	\$ 184.70	3983	81
Southeastern Colorado Heritage Center	2013 Membership, including storage and meeting space	\$ 840.00	3984	97
The Pueblo Chietain	Budget Notice Publication	\$ 49.50	3985	96
HARP Authority	IGA Support	\$ 50,000.00	3986	112
HARP Authority	IGA Support Make-up from 2012	\$ 15,000.00	"	112
		\$ 67,695.60		