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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 March 31, 2017 and December 31, 2016, and the related statements of revenues and expenditures - general fund for the one-month and three months ended March 31, 2017 and the year ended December 31, 2016, 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.

On an on-going basis, management records accounts payable and related expenditures using the cash basis of accounting. Accounting principles generally accepted in the United States of America requires that accounts payable and related expenditures be recorded using the modified accrual basis of accounting. Management has not determined the amounts by which this departure would affect the balance sheet of the general fund and the related statement of revenues and expenditures of the general fund.

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, Prayoga, Pwlling & Goodrich, PC

April 24, 2017

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
MARCH 31, 2017 AND DECEMBER 31, 2016

	<u>3/31/2017</u>	<u>12/31/2016</u>
ASSETS		
VECTRA BANK CHECKING	\$ 21,924	\$ 48,676
VECTRA BANK MONEY MARKET	11,926	11,925
BROKERAGE MONEY MARKET ACCOUNTS	536,505	330,542
BANK OF THE SAN JUANS TRUST ACCT	916	916
BANK OF THE SAN JUANS RESERVE ACCT	486,343	427,529
COLOTRUST INVESTMENT	25,380	25,322
STIFEL NICOLAUS INVESTMENT	207,318	215,379
MORGAN STANLEY INVESTMENT	540,468	734,092
ACCRUED INTEREST & OTHER RECEIVABLES	-	1,817
MAINTENANCE ASSESSMENTS RECEIVABLE	<u>788,423</u>	<u>1,158,000</u>
 TOTAL ASSETS	 <u>\$ 2,619,203</u>	 <u>\$ 2,954,198</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
ACCOUNTS PAYABLE	\$ -	\$ 320,279
MAINTENANCE FUND REFUND PAYABLE	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>-</u>	 <u>320,279</u>
 DEFERRED INFLOWS OF RESOURCES		
MAINTENANCE ASSESSMENTS	<u>788,423</u>	<u>1,158,000</u>
 ASSIGNED FUND BALANCE	 -	 -
UNASSIGNED FUND BALANCE	<u>1,830,780</u>	<u>1,475,919</u>
 TOTAL FUND BALANCE	 <u>1,830,780</u>	 <u>1,475,919</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 2,619,203</u>	 <u>\$ 2,954,198</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
 COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
 ACTUAL AND BUDGET - GENERAL FUND
 FOR THE ONE MONTH AND THREE MONTHS ENDED MARCH 31, 2017
 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2016

	ACTUAL		2017 BUDGET	UNUSED BUDGET	2016 ACTUAL
	CURRENT MONTH	YEAR TO DATE			
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 20	\$ 58	\$ -	\$ -	\$ 163
MONEY MARKET ACCOUNTS	6	15	-	-	35
ABC BANK	-	-	-	-	9
BANK OF THE SAN JUANS	5	12	-	-	64
STIFEL NICOLAUS	-	(325)	-	-	10,293
MORGAN STANLEY	1,079	2,564	-	-	15,280
UNREALIZED GAINS (LOSSES)	(1,198)	992	-	-	(18,213)
TOTAL INTEREST INCOME	(88)	3,316	21,000	17,684	7,631
MAINTENANCE FUND ASSESSMENT	333,534	369,577	1,158,000	788,423	1,111,817
CITY OF PUEBLO MAINT. FUND IGA	-	-	-	-	-
MAINTENANCE FUND REFUND	-	-	-	-	-
LOAN PROCEEDS	920,096	2,657,611	3,202,135	-	4,748,677
OTHER INCOME	-	4,427	-	(4,427)	60,000
TOTAL REVENUES	\$ 1,253,542	\$ 3,034,931	\$ 4,381,135	\$ 1,346,204	\$ 5,928,125
EXPENDITURES					
80 LEGAL FEES	\$ 500	\$ 500	\$ 24,000	\$ 23,500	\$ 10,503
81 DIRECTORS FEES	1,600	5,000	21,600	16,600	21,600
83 ENGINEER/ADMINISTRATIVE	1,700	3,400	20,400	17,000	22,570
90A BOOKKEEPING & AUDIT PREP	425	850	10,500	9,650	14,420
90B AUDIT	-	-	6,000	6,000	6,067
92 INSURANCE/BONDS	-	2,527	3,500	973	768
96 OFFICE EXPENSE	6	11	1,000	989	388
97 OFFICE RENT/STORAGE	-	1,050	1,050	-	1,050
100 PROFESSIONAL FEES	-	-	12,500	12,500	15,791
APPRaisal	-	-	-	-	-
103 TRAVEL	-	264	3,000	2,736	1,640
105 REPAIRS & MAINTENANCE	550	550	8,500	7,950	3,410
105A MAINTENANCE FUND ASSESSMENT PROGRAMMING & MAINTENANCE	460	4,983	3,000	(1,983)	16,225
108 CONTINGENCIES	-	-	-	-	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	-	15,000	5,000	(10,000)	340,934
PLANNING & DEVELOPMENT	-	-	10,000	10,000	-
110A CONTRACT ADMIN & OVERSIGHT	1,275	4,160	20,000	15,840	11,237
110B ARKANSAS RIVER PHASE 3 LEVEE DESIGN	51,784	109,449	-	(109,449)	66,966
110C ARKANSAS RIVER PHASE 2&3 STAKING AS-BUILTS, CO	-	-	-	-	4,818
110D ARKANSAS RIVER PHASE 2 CONSTRUCTION	-	(85,131)	-	85,131	1,713,039
110E ARKANSAS RIVER PHASE 3 CONSTRUCTION	1,171,799	2,651,727	2,800,000	148,273	1,631,409
110F ARKANSAS RIVER LEVEE CERTIFICATION DESIGN &/OR CONSTRUCTION	-	-	-	-	-
110G WILDHORSE/DRY CREEK LEVEE CONSTRUCTION	302	(47,563)	-	47,563	1,111,753
110H WILDHORSE/DRY CREEK STAKING, AS-BUILTS, CO	4,637	13,293	45,000	31,707	142,866
50,000	-	50,000	-	-	-
110K ARKANSAS RIVER PHASE 4 LEVEE DESIGN	-	-	250,000	250,000	-
110L ARKANSAS RIVER PHASE 4 CONSTRUCTION	-	-	-	-	-
112A HARP - O & M	-	-	-	-	-
112B HARP IGA CONTRIBUTION	-	-	10,000	10,000	10,000
113 CONSTRUCTION LOAN PAYMENT	-	-	50,000	50,000	50,000
TOTAL EXPENDITURES	1,235,038	2,680,070	4,090,050	1,409,980	5,897,454
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 18,504	\$ 354,861	\$ 291,085	\$ (63,776)	\$ 30,671

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
3/31/2017

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2016	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 3/31/2017	INTEREST RECEIVED 3/31/2017	ACCRUED INTEREST 12/31/2017	ACCRUED INTEREST 12/31/2016	G/L ADJUSTMENT 12/31/2013	
CASH ACCOUNTS														
VECTRA BANK	Money Market Account				11,924.71	1.49	-	-	11,926.20	1.49	-	-	-	
STIFEL NICOLAUS	Money Market Account				50,764.37	6,729.99	-	-	57,494.36	3.95	-	-	-	
MORGAN STANLEY	Cash Sweep Account				279,777.89	199,227.07	-	-	479,004.96	10.13	-	-	-	
TOTAL CASH ACCOUNTS WITH BROKERS					342,466.97	205,958.55	-	-	548,425.52	15.57	-	-	-	
INVESTMENTS														
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,322.14	37.48	-	-	25,359.62	57.63	-	-	-	
TOTAL COLOTRUST					25,322.14	37.48	-	-	25,359.62	57.63	-	-	-4007	
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,200,000.00	32.33	-	(0.05)	28.68	3.60	0.29	1.52	1.62	(0.10)	
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	56,149.68	-	(338.52)	2,169.04	53,642.12	289.77	435.05	4,441.84	(4,006.79)	
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	10,868.48	-	(67.25)	476.37	10,324.86	45.58	61.14	61.96	(0.82)	
	GNMA POOL #MA0318	8/20/2042	3.500%	95,000.00	48,379.76	-	(229.15)	2,190.85	45,959.76	138.05	182.12	184.44	(2.32)	
	GNMA POOL #AA5748	10/15/1942	4.000%	90,000.00	76,786.25	-	(489.33)	440.47	75,856.45	240.67	323.80	324.82	(1.02)	
	GNMA POOL #MA1839	4/20/2044	4.000%	30,000.00	23,161.93	-	(210.08)	1,420.63	21,531.22	74.61	98.21	99.99	(1.78)	
TOTAL STIFEL NICOLAUS INVESTMENT					215,378.43	-	(1,334.38)	6,726.04	207,318.01	788.97	1,101.84	5,114.67	(4,012.83)	
MORGAN STANLEY														
	FNMA MED TERM NOTE	9/23/2017		100,000.00	99,307.00	-	250.00	-	99,557.00	-	-	-	-	
	FNMA POOL MAM629	1/1/2021	3.500%	100,000.00	15,281.19	-	(85.14)	1,579.14	13,616.91	83.91	42.78	42.78	-	
	FNMA	12/27/2027	2.500%	220,000.00	208,388.40	-	3,885.80	-	211,774.20	916.66	61.11	61.11	-	
	FNMA	5/15/2030	2.838%	300,000.00	185,823.00	-	(1,113.00)	184,716.00	-	-	-	-	-	
	GNR 2008-7 PN	1/20/2037	4.250%	60,000.00	2,282.12	-	(12.59)	239.93	2,079.60	15.39	7.90	7.90	-	
	FHR 3393 BY	11/15/2037	5.500%	94,000.00	24,120.06	-	(319.58)	1,852.02	21,948.46	195.66	98.03	98.03	-	
	FHLMC REMIC SERIES 4047 PA	12/15/2037	2.000%	230,000.00	96,768.90	-	(32.23)	7,322.29	89,414.38	312.99	160.09	160.09	-	
	FNR 2008-74 B	9/25/2038	5.500%	53,000.00	7,980.41	-	(34.15)	247.15	7,699.11	64.47	32.67	32.67	-	
	FNMA REMIC TRUST 2010-141 AL	12/25/2040	4.000%	90,000.00	94,140.90	-	287.10	-	94,428.00	600.00	299.99	299.99	-	
TOTAL MORGAN STANLEY INVESTMENT					754,091.98	-	2,326.21	193,950.53	540,467.66	2,187.08	702.57	702.57	4013	
TOTAL INVESTMENTS					974,792.55	37.48	991.83	202,676.57	773,145.29	3,033.68	1,804.41	5,817.24	(4,012.83)	
TOTAL ALL ACCOUNTS					1,317,259.52	205,996.03	991.83	202,676.57	1,321,570.81	3,049.25	1,804.41	5,817.24	12009	(4,012.83)