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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 April 30, 2016 and December 31, 2015, and the related statements of revenues and expenditures - general fund for the four month ended April 30, 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*

May 23, 2016

PUEBLO CONSERVANCY DISTRICT  
 BALANCE SHEET - GENERAL FUND ONLY  
 APRIL 30, 2016 AND DECEMBER 31, 2015

	<u>4/30/2016</u>	<u>12/31/2015</u>
<b>ASSETS</b>		
VECTRA BANK CHECKING	\$ 163,546	\$ 133,478
VECTRA BANK MONEY MARKET	11,921	11,919
ABC BANK MONEY MARKET CHECKING	-	2,157
BROKERAGE MONEY MARKET ACCOUNTS	50,128	200,765
BANK OF THE SAN JUANS TRUST ACCT	141	(10)
BANK OF THE SAN JUANS RESERVE ACCT	399,240	-
COLOTRUST INVESTMENT	25,200	25,159
STIFEL NICOLAUS INVESTMENT	253,259	262,577
MORGAN STANLEY INVESTMENT	996,286	819,209
ACCRUED INTEREST & OTHER RECEIVABLES	-	2,410
MAINTENANCE ASSESSMENTS RECEIVABLE	<u>571,417</u>	<u>1,015,000</u>
 TOTAL ASSETS	 <u>\$ 2,471,138</u>	 <u>\$ 2,472,664</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
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>571,417</u>	<u>1,015,000</u>
 ASSIGNED FUND BALANCE	 1,445,248	 1,445,248
UNASSIGNED FUND BALANCE	<u>454,473</u>	<u>-</u>
 TOTAL FUND BALANCE	 <u>1,899,721</u>	 <u>1,445,248</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 2,471,138</u>	 <u>\$ 2,472,664</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT  
 COMPARATIVE STATEMENT OF REVENUE AND EXPENSES - RES -  
 ACTUAL AND BUDGET - GENERAL FUND  
 FOR THE FOUR MONTHS ENDED APRIL 30, 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	\$ 11	\$ 41	\$ -	\$ -	\$ 44
MONEY MARKET ACCOUNTS	2	8	-	-	25
ABC BANK	-	9	-	-	12,213
BANK OF THE SAN JUANS	3	3	-	-	-
STIFEL NICOLAUS	921	2,402	-	-	10,924
MORGAN STANLEY	1,394	4,618	-	-	20,659
UNREALIZED GAINS (LOSSES)	(1,902)	11,430	-	-	3,342
TOTAL INTEREST INCOME	429	18,511	21,000	2,489	47,207
MAINTENANCE FUND ASSESSMENT	95,070	443,583	1,015,000	571,417	855,527
CITY OF PUEBLO MAINT. FUND IGA	-	-	-	-	77,500
MAINTENANCE FUND REFUND	-	-	-	-	-
LOAN PROCEEDS	613,247	1,773,104	-	-	2,593,702
OTHER INCOME	-	-	-	-	-
TOTAL REVENUES	\$ 708,746	\$ 2,235,198	\$ 1,036,000	\$ (1,199,198)	\$ 3,573,936
EXPENDITURES					
80 LEGAL FEES	\$ 9,625	\$ 33,656	\$ 36,000	\$ 2,344	\$ 23,762
81 DIRECTORS FEES	1,800	7,200	21,600	14,400	21,600
83 ENGINEER/ADMINISTRATIVE	2,470	5,870	20,400	14,530	15,765
90A BOOKKEEPING & AUDIT PREP	400	1,200	10,500	9,300	18,377
90B AUDIT	-	418	6,000	5,582	-
92 INSURANCE/BONDS	-	768	3,500	2,732	2,503
96 OFFICE EXPENSE	10	140	1,000	860	967
97 OFFICE RENT/STORAGE	-	1,050	1,050	-	1,050
100 PROFESSIONAL FEES	700	9,700	12,500	2,800	3,000
APPRAISAL	-	-	-	-	-
103 TRAVEL	207	456	2,400	1,944	508
105 REPAIRS & MAINTENANCE	-	550	8,500	7,950	23,806
105A MAINTENANCE FUND ASSESSMENT	-	-	1,000	1,000	5,571
PROGRAMMING & MAINTENANCE	-	-	-	-	-
108 CONTINGENCIES	-	-	20,000	20,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	-
110 CAPITAL IMPROVEMENTS	595,641	1,719,718	5,000	(1,714,718)	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	-	-	45,000	45,000	-
AS-BUILTS, CO	-	-	-	-	-
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	-	-	-	-	2,497,273
DESIGN &/OR CONSTRUCTION	-	-	-	-	-
110G WILDHORSE/DRY CREEK LEVEE CONSTRUCTION	-	-	1,500,000	1,500,000	-
110H WILDHORSE/DRY CREEK STAKING,	-	-	45,000	45,000	-
AS-BUILTS, CO	-	-	-	-	-
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	610,853	1,780,726	4,309,450	2,528,724	5,439,585
EXCESS (DEFICIENCY) OF REVENUES	\$ 97,893	\$ 454,472	\$ (3,273,450)	\$ (3,727,922)	\$ (1,865,649)
OVER EXPENDITURES					

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT  
INVESTMENTS  
4/30/2016

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2015	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 4/30/2016	INTEREST RECEIVED 4/30/2016
<b>CASH ACCOUNTS</b>										
VECTRA BANK	Money Market Account				11,918.78	1.94	-	-	11,920.72	1.94
STIFEL NICOLAUS	Money Market Account				6,708.08	10,744.36	-	-	17,452.44	1.02
MORGAN STANLEY	Cash Sweep Account				194,037.38	40,023.36	-	201,405.50	32,675.24	5.05
<b>TOTAL CASH ACCOUNTS WITH BROKERS</b>										
					212,684.24	50,769.66	-	201,405.50	62,048.40	8.01
<b>INVESTMENTS</b>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,158.66	41.08	-	-	25,199.74	41.08
<b>TOTAL COLOTRUST</b>										
					25,158.66	41.08	-	-	25,199.74	41.08
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #176217	3/1/2017	8.000%	1,120,000.00	207.63	-	(1.98)	58.22	147.43	4.11
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	65,494.29	-	17.73	2,636.64	62,875.38	991.84
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	13,961.75	-	(124.36)	1,206.93	12,630.46	172.54
	GNMA POOL #MA0318	8/20/2042	3.500%	95,000.00	61,365.14	-	617.85	3,299.88	58,683.11	513.03
	GNMA POOL #AA5748	10/15/1942	4.000%	90,000.00	89,745.13	-	1,005.11	911.86	89,838.38	844.17
	GNMA POOL #MA1839	4/20/2044	4.000%	50,000.00	31,802.63	-	(88.30)	2,629.81	29,084.52	298.17
<b>TOTAL STIFEL NICOLAUS INVESTMENT</b>										
					262,576.57	-	1,426.05	10,743.34	253,259.28	2,823.86
MORGAN STANLEY	TENN VALLEY AUTH	5/1/2016		133,000.00	132,760.60	-	239.40	-	133,000.00	-
	FNMA MED TERM NOTE	9/23/2017		100,000.00	97,967.00	-	826.00	-	98,793.00	-
	FNMA POOL MA0629	1/1/2021	3.500%	100,000.00	23,490.42	-	66.09	2,663.35	20,893.16	249.65
	FNMA	12/27/2027	2.500%	220,000.00	209,063.80	-	9,387.40	-	218,451.20	1,833.32
	FNMA	5/15/2030	2.838%	300,000.00	-	201,405.50	(6,138.50)	-	195,267.00	-
	FNR 2006-107 PD	6/25/2035	5.000%	78,000.00	2,888.91	-	(5.18)	2,883.73	-	22.66
	GNMA REMIC TRUST 2010-84 NL	12/20/2036	3.000%	100,000.00	8,446.15	-	(41.90)	4,538.58	3,865.67	66.69
	GNR 2008-7 PN	1/20/2037	4.250%	60,000.00	3,835.07	-	(24.48)	545.39	3,265.20	49.80
	FHR 3393 BY	11/15/2037	5.500%	94,000.00	29,707.43	-	102.49	2,040.98	27,768.94	472.09
	FILMC REMIC SERIES 4047 PA	12/15/2037	2.000%	230,000.00	135,386.74	-	2,259.20	10,193.50	127,452.44	879.27
	FNR 2008-74 B	9/25/2038	5.500%	53,000.00	8,832.77	-	103.26	116.80	8,819.23	144.45
	FNMA REMIC TRUST 2010-141 AL	12/25/2040	4.000%	90,000.00	95,531.40	-	2,484.90	-	98,016.30	1,200.00
	FILMC 4321 YB	7/15/2043	3.500%	200,000.00	71,298.89	-	745.09	11,349.77	60,694.21	768.28
<b>TOTAL MORGAN STANLEY INVESTMENT</b>										
					819,209.18	201,405.50	10,093.77	34,332.10	996,286.35	5,686.21
<b>TOTAL INVESTMENTS</b>										
					1,106,944.41	201,446.58	11,429.82	45,075.44	1,274,745.37	8,551.15
<b>TOTAL ALL ACCOUNTS</b>										
					1,319,628.65	252,216.24	11,429.82	246,480.94	1,336,793.77	8,559.16

PUEBLO CONSERVANCY DISTRICT

APRIL 2016 - MAY 2016

DEPOSITS - VECTRA BANK		
VENDOR	ITEM	AMOUNT
Stifel Nicolaus	Interest Payment	\$ 911.41
		\$ 911.41

DEPOSITS - CANON NATIONAL BANK RESERVE ACCOUNT		
VENDOR	ITEM	AMOUNT
Pueblo County	Maintenance Fund Assessment	\$ 193,931.13
		\$ 193,931.13

DEBITS - VECTRA CASH CHECKING ACCOUNT				
VENDOR	ITEM	AMOUNT	CHECK	CODE
BHE	Electrical Billing	Pre-paid		105
MBDG, PC	Bookkeeping	\$ 400.00	959	90
Don Banner - B&B, PC	Attorney Fees	\$ 500.00	966	80
Kidd Engineering	Engineer/Admin Fees	\$ 1,700.00	961	83
Director Alt	Fees	\$ 200.00	956	81
Director Bernard	Fees	\$ 200.00	965	81
Director Cordova	Fees	\$ 200.00	960	81
Director Koehler	Fees	\$ 200.00	964	81
Director Maroney	Fees	\$ 200.00	963	81
	Mileage - Fountain Creek Committees, 235@\$0.54	\$ 126.90	"	103
Director O'Hara	Fees	\$ 200.00	957	81
Director Phillips	Fees	\$ 200.00	962	81
Director Serna	Fees	\$ 200.00	955	81
Director Willumstad	Fees	\$ 200.00	958	81
Posada	David Patterson Moving Expenses Reimbursement	\$ 700.00	954	100
		\$ 5,226.90		

DEBITS - CANON NATIONAL BANK RESERVE ACCOUNT				
Pueblo Conservancy District	Transfer to Vectra Bank Cash Account	\$	-	
		\$	-	

DEBITS CANON NATIONAL BANK - CONSTRUCTION DRAW ACCOUNT				
Kidd Engineering	Phase 2 CA/CO, Progress Meetings, PBWW Access Road Planning and Paving, 18th Street Bridge, Miscellaneous Discussions with NorthStar and Swerdfeger, Phase 3 Planning	\$	1,750.00	1029 110A
NorthStar Engineering	ARKANSAS RIVER LEVEE:			
	Task C - Arkansas Levee "As-Constructed" Survey and Conditional Evaluation Contract	\$	-	110
	Task D - Design, Permitting, and Regulatory Approvals Contract	\$	-	110
	Task E - Construction Support Services, Geotechnical Testing, Staking, As-Builts	\$	4,818.00	1030 110C
	Task F - Phase 3 Final Design, Construction Documents, Bidding	\$	6,055.00	" 110B
	Reimbursable copies, etc.	\$	-	" 110
	WILDHORSE CREEK LEVEE:			"
	Task A - "Original As-Constructed" / Boundary Surveys	\$	-	" 110
	Task C - Design, Permitting, and Regulatory Approvals	\$	-	" 110
	Task D - Construction Support Services	\$	11,980.00	" 110H
	Reimbursable copies, etc.	\$	74.00	" 110H
	Maintenance Fund Assessment Support - Appraisal Phase III Services, Property Acquisitions, Artwork and Recreational Opportunities	\$	1,220.00	" 105A
	Reimbursable copies, etc.	\$	-	" 100
	<b>NorthStar Subtotal</b>	\$	<b>24,147.00</b>	
K.R. Swerdfeger Construction, Inc.	Arkansas & Wildhorse Levees, Phase 2	\$	157,805.55	1031 110D
		\$	185,837.85	110G
	<b>Swerdfeger Subtotal</b>	\$	<b>343,643.40</b>	"
Altman, Keilbach, Lytle	Wildhorse Creek Area Eminent Domain and Land Acquisitions Invoice 4-30-16	\$	3,452.34	1032 80
	<b>TOTAL CANON NATIONAL DRAW ACCT</b>	\$	<b>372,992.74</b>	