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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 May 31, 2016 and December 31, 2015, and the related statements of revenues and expenditures – general fund for the five months ended May 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

June 21, 2016

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

	<u>5/31/2016</u>	<u>12/31/2015</u>
ASSETS		
VECTRA BANK CHECKING	\$ 159,180	\$ 133,478
VECTRA BANK MONEY MARKET	11,921	11,919
ABC BANK MONEY MARKET CHECKING	-	2,157
BROKERAGE MONEY MARKET ACCOUNTS	209,920	200,765
BANK OF THE SAN JUANS TRUST ACCT	(4)	(10)
BANK OF THE SAN JUANS RESERVE ACCT	593,175	-
COLOTRUST INVESTMENT	25,212	25,159
STIFEL NICOLAUS INVESTMENT	238,472	262,577
MORGAN STANLEY INVESTMENT	851,644	819,209
ACCRUED INTEREST & OTHER RECEIVABLES	-	2,410
MAINTENANCE ASSESSMENTS RECEIVABLE	<u>377,486</u>	<u>1,015,000</u>
 TOTAL ASSETS	 <u>\$ 2,467,006</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>377,486</u>	<u>1,015,000</u>
 ASSIGNED FUND BALANCE	 1,445,248	 1,445,248
UNASSIGNED FUND BALANCE	<u>644,272</u>	<u>-</u>
 TOTAL FUND BALANCE	 <u>2,089,520</u>	 <u>1,445,248</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 2,467,006</u>	 <u>\$ 2,472,664</u>

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PUEBLO CONSERVANCY DISTRICT
 COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
 ACTUAL AND BUDGET - GENERAL FUND
 FOR THE FIVE MONTHS ENDED MAY 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	\$ 12	\$ 53	\$ -	\$ -	\$ 44
MONEY MARKET ACCOUNTS	2	11	-	-	25
ABC BANK	-	9	-	-	12,213
BANK OF THE SAN JUANS	6	9	-	-	-
STIFEL NICOLAUS	911	3,314	-	-	10,924
MORGAN STANLEY	1,372	5,990	-	-	20,659
UNREALIZED GAINS (LOSSES)	(1,012)	10,417	-	-	3,342
TOTAL INTEREST INCOME	1,291	19,803	21,000	1,197	47,207
MAINTENANCE FUND ASSESSMENT	193,931	637,514	1,015,000	377,486	855,527
CITY OF PUEBLO MAINT. FUND IGA	-	-	-	-	77,500
MAINTENANCE FUND REFUND	-	-	-	-	-
LOAN PROCEEDS	372,833	2,145,937	-	-	2,593,702
OTHER INCOME	-	-	-	-	-
TOTAL REVENUES	\$ 568,055	\$ 2,803,254	\$ 1,036,000	\$ (1,767,254)	\$ 3,573,936
EXPENDITURES					
80 LEGAL FEES	\$ 3,952	\$ 37,609	\$ 36,000	\$ (1,609)	\$ 23,762
81 DIRECTORS FEES	1,800	9,000	21,600	12,600	21,600
83 ENGINEER/ADMINISTRATIVE	3,450	9,320	20,400	11,080	15,765
90A BOOKKEEPING & AUDIT PREP	400	1,600	10,500	8,900	18,377
90B AUDIT	-	418	6,000	5,582	-
92 INSURANCE/BONDS	-	768	3,500	2,732	2,503
96 OFFICE EXPENSE	(14)	126	1,000	874	967
97 OFFICE RENT/STORAGE	-	1,050	1,050	-	1,050
100 PROFESSIONAL FEES	750	10,450	12,500	2,050	3,000
APPRAISAL	-	-	-	-	-
103 TRAVEL	127	583	2,400	1,817	508
105 REPAIRS & MAINTENANCE	-	550	8,500	7,950	23,806
105A MAINTENANCE FUND ASSESSMENT PROGRAMMING & MAINTENANCE	1,220	1,220	1,000	(220)	5,571
108 CONTINGENCIES	-	-	20,000	20,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	-
110 CAPITAL IMPROVEMENTS PLANNING & DEVELOPMENT	-	1,719,718	5,000	(1,714,718)	171,187
110A CONTRACT ADMIN & OVERSIGHT	-	-	10,000	10,000	-
110B ARKANSAS RIVER PHASE 3 LEVEE DESIGN	6,055	6,055	35,000	35,000	39,674
110C ARKANSAS RIVER PHASE 2&3 STAKING AS-BUILTS, CO	4,818	4,818	50,000	43,945	-
110D ARKANSAS RIVER PHASE 2 CONSTRUCTION	157,805	157,805	45,000	40,182	-
110E ARKANSAS RIVER PHASE 3 CONSTRUCTION	-	-	1,200,000	1,042,195	-
110F ARKANSAS RIVER LEVEE CERTIFICATION DESIGN &/OR CONSTRUCTION	-	-	500,000	500,000	-
110G WILDHORSE/DRY CREEK LEVEE CONSTRUCT.	185,838	185,838	-	-	2,497,273
110H WILDHORSE/DRY CREEK STAKING, AS-BUILTS, CO	12,054	12,054	1,500,000	1,314,162	-
110I WILDHORSE/DRY CREEK LEVEE-DESIGN PRELIMINARY DESIGN	-	-	45,000	32,946	-
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	378,255	2,158,982	4,309,450	2,150,468	5,439,585
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 189,800	\$ 644,272	\$ (3,273,450)	\$ (3,917,722)	\$ (1,865,649)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
5/31/2016

<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/2015</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 5/31/2016</u>	<u>INTEREST RECEIVED 5/31/2016</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,918.78	2.46	-	-	11,921.24	2.46
STIFEL NICOLAUS	Money Market Account				6,708.08	23,947.63	-	-	30,655.71	1.61
MORGAN STANLEY	Cash Sweep Account				194,057.38	186,612.36	-	201,405.50	179,264.24	6.47
TOTAL CASH ACCOUNTS WITH BROKERS										
					212,684.24	210,562.45	-	201,405.50	221,841.19	10.54
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,158.66	53.28	-	-	25,211.94	53.28
TOTAL COLOTRUST										
					25,158.66	53.28	-	-	25,211.94	53.28
STIFEL NICOLAUS										
	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	207.63	-	(2.50)	72.67	132.46	6.33
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	65,494.29	-	(230.02)	3,301.02	61,963.25	1,635.18
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	13,961.75	-	(171.17)	1,430.77	12,359.81	281.14
	GNMA POOL #MA0318	8/20/2042	3.500%	95,000.00	61,365.14	-	501.56	4,379.98	57,486.72	843.74
	GNMA POOL #AA5748	10/15/1942	4.000%	90,000.00	89,745.13	-	(94.30)	11,456.46	78,194.37	1,403.09
	GNMA POOL #MA1839	4/20/2044	4.000%	50,000.00	31,802.63	-	(162.56)	3,305.12	28,334.95	486.84
TOTAL STIFEL NICOLAUS INVESTMENT										
					262,576.57	-	(158.99)	23,946.02	238,471.56	4,656.32
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	-	784.00	-	98,751.00	-
	FNMA POOL MA0629	1/1/2021	3.500%	100,000.00	23,490.42	-	7.79	3,305.74	20,192.47	307.27
	FNMA	12/27/2027	2.500%	220,000.00	209,063.80	-	8,793.40	-	217,857.20	2,291.65
	FNMA	5/15/2030	2.838%	300,000.00	-	201,405.50	(4,437.50)	-	196,968.00	-
	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	-	(48.88)	5,628.05	2,769.22	76.32
	GNR 2008-7 PN	1/20/2037	4.250%	60,000.00	3,835.07	-	(31.48)	606.82	3,196.77	61.08
	FHR 3393 BY	1/15/2037	5.500%	94,000.00	29,707.43	-	49.80	2,501.89	27,255.34	584.72
	FHLMC REMIC SERIES 4047 PA	12/15/2037	2.000%	230,000.00	135,386.74	-	1,917.43	13,225.21	124,078.96	1,088.48
	FNR 2008-74 B	9/25/2038	5.500%	53,000.00	8,832.77	-	103.57	146.71	8,789.63	180.23
	FNMA REMIC TRUST 2010-141 AL	12/25/2040	4.000%	90,000.00	95,531.40	-	2,043.00	-	97,574.40	1,500.00
	FHLMC 4321 YB	7/15/2043	3.500%	200,000.00	71,298.89	-	1,161.07	18,249.42	54,210.54	945.91
TOTAL MORGAN STANLEY INVESTMENT										
					819,209.18	201,405.50	10,576.42	179,547.57	851,643.53	7,058.32
TOTAL INVESTMENTS										
					1,106,944.41	201,458.78	10,417.43	203,493.59	1,115,327.03	11,767.92
TOTAL ALL ACCOUNTS										
					1,319,628.65	412,021.23	10,417.43	404,899.09	1,337,168.22	11,778.46

PUEBLO CONSERVANCY DISTRICT

~~MAY~~ 2016 - ~~MAY~~ ^{JUNE} 2016

DEPOSITS - VECTRA BANK		
VENDOR	ITEM	AMOUNT
Stifel Nicolaus	Interest Payment	\$ 900.20
		\$ 900.20

DEPOSITS - CANON NATIONAL BANK RESERVE ACCOUNT		
Pueblo County	Maintenance Fund Assessment	\$ 160,727.37
		\$ 160,727.37

DEBITS - VECTRA CASH CHECKING ACCOUNT				
VENDOR	ITEM	AMOUNT	CHECK	CODE
BHE	Electrical Billing	Pre-paid		105
MBDG, PC	Bookkeeping	\$ 400.00	971	90
Don Banner - B&B, PC	Attorney Fees	\$ 500.00	979	80
Kidd Engineering	Engineer/Admin Fees	\$ 1,700.00	973	83
Director Alt	Fees	\$ 200.00	967	81
Director Bernard	Fees	\$ 200.00	978	81
Director Cordova	Fees	\$ 200.00	972	81
Director Koehler	Fees	\$ 200.00	977	81
Director Maroney	Fees	\$ 200.00	976	81
	Mileage - Fountain Creek Committees, 86@\$0.54	\$ 46.44	"	103
Director O'Hara	Fees	\$ 200.00	969	81
Director Phillips	Fees	\$ 200.00	975	81
Director Serna	Fees	\$ 200.00	968	81
Director Willumstad	Fees	\$ 200.00	970	81
HARP IGA	IGA Contribution	\$ 50,000.00	974	
HARP IGA	Annual Maintenance	\$ 10,000.00	"	100
		\$ 64,446.44		

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, Completion Review and Contract Costing, FEMA Meeting	\$ 700.00	1033	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	\$ -		110C
	Task F - Phase 3 Final Design, Construction Documents, Bidding	\$ 3,285.00	1034	110B
	Reimbursable copies, etc.	\$ -	"	110B
	WILDHORSE CREEK LEVEE:		"	
	Task A - "Original As-Constructed" / Boundary Surveys		"	110
	Task C - Design, Permitting, and Regulatory Approvals		"	110
	Task D - Construction Support Services	\$ 16,140.00	"	110H
	Reimbursable copies, etc.	\$ 68.00	"	110H
	Maintenance Fund Assessment Support - Appraisal Phase III Services, Property Acquisitions, Artwork and Recreational Opportunities	\$ 1,255.00	"	105A
	Reimbursable copies, etc.	\$ -	"	105A
	NorthStar Subtotal	\$ 20,748.00		
K.R. Swerdfeger Construction	Arkansas & Wildhorse Levees, Phase 2	\$ 403,804.00	1035	110D
		\$ 85,301.85	"	110G
	Swerdfeger Subtotal	\$ 489,105.85		

Altman, Keilbach, Lytle	Wildhorse Creek Area Eminent Domain and Land Acquisitions Invoice 5-31-16	\$ 1,953.50	1036	80
	TOTAL CANON NATIONAL DRAW ACCT	\$ 512,507.35		