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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, 2017 and December 31, 2016, and the related statements of revenues and expenditures – general fund for the one-month and five months ended May 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, Brydgh, Ducline & Woodrich, PC*

June 26, 2017

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

	<u>5/31/2017</u>	<u>12/31/2016</u>
<b>ASSETS</b>		
VECTRA BANK CHECKING	\$ 14,929	\$ 48,676
VECTRA BANK MONEY MARKET	11,927	11,925
BROKERAGE MONEY MARKET ACCOUNTS	499,205	330,542
BANK OF THE SAN JUANS TRUST ACCT	916	916
BANK OF THE SAN JUANS RESERVE ACCT	807,834	427,529
COLOTRUST INVESTMENT	25,423	25,322
STIFEL NICOLAUS INVESTMENT	203,241	215,379
MORGAN STANLEY INVESTMENT	536,910	734,092
ACCRUED INTEREST & OTHER RECEIVABLES	-	1,817
MAINTENANCE ASSESSMENTS RECEIVABLE	<u>466,949</u>	<u>1,158,000</u>
TOTAL ASSETS	<u>\$ 2,567,334</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>466,949</u>	<u>1,158,000</u>
ASSIGNED FUND BALANCE	-	-
UNASSIGNED FUND BALANCE	<u>2,100,385</u>	<u>1,475,919</u>
TOTAL FUND BALANCE	<u>2,100,385</u>	<u>1,475,919</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 2,567,334</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 FIVE MONTHS ENDED MAY 30, 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	\$ 22	\$ 101	\$ -	\$ -	\$ 163
MONEY MARKET ACCOUNTS	6	27	-	-	35
ABC BANK	-	-	-	-	9
BANK OF THE SAN JUANS	6	28	-	-	64
STIFEL NICOLAUS	1,531	2,736	-	-	10,293
MORGAN STANLEY	1,063	4,699	-	-	15,280
UNREALIZED GAINS (LOSSES)	2,430	3,912	-	-	(18,213)
TOTAL INTEREST INCOME	5,058	11,503	21,000	9,497	7,631
MAINTENANCE FUND ASSESSMENT	241,120	691,051	1,158,000	466,949	1,111,817
CITY OF PUEBLO MAINT. FUND IGA	-	-	-	-	-
MAINTENANCE FUND REFUND	-	-	-	-	-
LOAN PROCEEDS	-	2,657,611	3,202,135	-	4,748,677
OTHER INCOME	2,250	6,677	-	(6,677)	60,000
TOTAL REVENUES	\$ 248,428	\$ 3,366,842	\$ 4,381,135	\$ 1,014,293	\$ 5,928,125
EXPENDITURES					
80 LEGAL FEES	\$ 627	\$ 1,639	\$ 24,000	\$ 22,361	\$ 10,503
81 DIRECTORS FEES	1,600	8,200	21,600	13,400	21,600
83 ENGINEER/ADMINISTRATIVE	1,700	6,800	20,400	13,600	22,570
90A BOOKKEEPING & AUDIT PREP	425	1,700	10,500	8,800	14,420
90B AUDIT	-	-	6,000	6,000	6,067
92 INSURANCE/BONDS	-	2,527	3,500	973	768
96 OFFICE EXPENSE	24	46	1,000	954	388
97 OFFICE RENT/STORAGE	-	1,050	1,050	-	1,050
100 PROFESSIONAL FEES	905	7,455	12,500	5,045	15,791
APPRAISAL	-	-	-	-	-
103 TRAVEL	-	342	3,000	2,658	1,640
105 REPAIRS & MAINTENANCE	-	550	8,500	7,950	3,410
105A MAINTENANCE FUND ASSESSMENT PROGRAMMING & MAINTENANCE	3,900	11,732	3,000	(8,732)	16,225
108 CONTINGENCIES	-	-	20,000	20,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	-
110 CAPITAL IMPROVEMENTS PLANNING & DEVELOPMENT	-	15,000	5,000	(10,000)	340,934
110A CONTRACT ADMIN & OVERSIGHT	375	6,035	20,000	13,965	11,237
110B ARKANSAS RIVER PHASE 3 LEVEE DESIGN	4,863	140,789	-	(140,789)	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	-	2,651,727	2,800,000	148,273	1,631,409
110F ARKANSAS RIVER LEVEE CERTIFICATION DESIGN &/OR CONSTRUCTION	-	-	-	-	-
110G WILDHORSE/DRY CREEK LEVEE CONSTRUCT	69	(47,193)	-	47,193	1,111,753
110H WILDHORSE/DRY CREEK STAKING, AS-BUILTS, CO	-	15,183	45,000	29,817	142,866
110J WILDHORSE/DRY CREEK DES & CONSTR	-	1,600	50,000	-	-
110K ARKANSAS RIVER PHASE 4 LEVEE DESIGN	2,325	2,325	250,000	247,675	-
110L ARKANSAS RIVER PHASE 4 CONSTRUCTION	-	-	-	-	-
112A HARP - O & M	-	-	10,000	10,000	10,000
112B HARP IGA CONTRIBUTION	-	-	50,000	50,000	50,000
113 CONSTRUCTION LOAN PAYMENT	-	-	700,000	700,000	700,000
TOTAL EXPENDITURES	16,813	2,742,376	4,090,050	1,347,674	5,897,454
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 231,615	\$ 624,466	\$ 291,085	\$ (333,381)	\$ 30,671

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT  
INVESTMENTS  
5/31/2017

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2016	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 5/31/2017	INTEREST RECEIVED 5/31/2017	ACCRUED INTEREST 12/31/2017	ACCRUED INTEREST 12/31/2016	G/L ADJUSTMENT 12/31/2015
<b>CASH ACCOUNTS</b>													
VECTRA BANK	Money Market Account				11,924.71	2.49	-	-	11,927.20	2.49	-	-	-
STIFEL NICOLAUS	Money Market Account				50,764.37	11,028.65	-	-	61,793.02	6.90	-	-	-
MORGAN STANLEY	Cash Sweep Account				279,777.89	207,630.00	-	50,000.00	437,407.89	17.78	-	-	-
TOTAL CASH ACCOUNTS WITH BROKERS					342,466.97	218,661.14	-	50,000.00	511,128.11	27.17	-	-	-
<b>INVESTMENTS</b>													
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,322.14	101.04	-	-	25,423.18	101.04	-	-	-
TOTAL COLOTRUST					25,322.14	101.04	-	-	25,423.18	101.04	-	-	4007
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	32.33	-	(0.04)	32.29	-	0.77	1.51	1.62	(0.11)
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	56,149.68	-	(488.23)	3,583.38	52,078.07	1,410.63	430.81	4,441.84	(4,011.03)
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	10,868.48	-	(96.91)	924.41	9,847.16	220.39	60.42	61.96	(1.54)
	GNMA POOL #MA0318	8/20/2042	3.500%	95,000.00	48,379.76	-	(11.51)	3,531.28	44,836.97	664.95	181.04	184.44	(3.40)
	GNMA POOL #AA5748	10/15/1942	4.000%	90,000.00	76,786.25	-	(314.36)	743.98	75,727.91	1,198.43	323.66	324.82	(1.16)
	GNMA POOL #MA1859	4/20/2044	4.000%	50,000.00	23,161.93	-	(205.05)	2,206.41	20,750.47	355.03	97.35	99.99	(2.64)
TOTAL STIFEL NICOLAUS INVESTMENT					215,378.43	-	(1,116.10)	11,021.75	203,240.58	3,850.20	1,094.79	5,114.67	(4,019.88)
<b>MORGAN STANLEY</b>													
	FNMA MED TERM NOTE	9/23/2017		100,000.00	99,307.00	-	305.00	-	99,612.00	-	-	-	-
	FNMA POOL MA0629	1/1/2021	3.500%	100,000.00	15,281.19	-	(38.88)	2,023.23	12,619.08	198.13	42.78	42.78	-
	FNMA	12/27/2027	2.500%	220,000.00	208,388.40	-	4,437.40	-	212,825.80	2,291.65	61.11	61.11	-
	FNMA	5/15/2030	2.838%	300,000.00	185,823.00	-	(1,113.00)	184,710.00	-	-	-	-	-
	GNR 2008-7 PN	1/20/2037	4.350%	60,000.00	2,282.12	-	(20.90)	456.36	1,824.86	36.50	7.90	7.90	-
	FHR 3392 BY	11/15/2037	5.500%	94,000.00	24,120.06	-	(320.57)	2,474.93	21,324.56	462.32	98.03	98.03	-
	FLHMC REMIC SERIES 4047 PA	12/15/2037	2.000%	230,000.00	96,768.90	-	149.04	11,223.60	85,694.34	756.17	160.09	160.09	-
	FNR 2008-74 B	9/25/2038	5.500%	53,000.00	7,980.41	-	(72.75)	717.51	7,190.15	157.07	32.67	32.67	-
	FNMA REMIC TRUST 2010-141 AL	12/25/2040	4.000%	90,000.00	94,140.90	-	1,702.80	-	95,843.70	1,500.00	299.99	299.99	-
TOTAL MORGAN STANLEY INVESTMENT					734,091.98	-	5,028.14	202,185.63	536,934.49	5,401.84	702.57	702.57	4013
TOTAL INVESTMENTS					974,792.55	101.04	3,912.04	213,207.38	765,598.25	9,353.08	1,797.36	5,817.24	(4,019.88)
TOTAL ALL ACCOUNTS					1,317,259.52	218,762.18	3,912.04	263,207.38	1,276,726.36	9,380.25	1,797.36	5,817.24	1200

PUEBLO CONSERVANCY DISTRICT

MAY 2017 - JUNE 2017

DEPOSITS - VECTRA BANK		
VENDOR	ITEM	AMOUNT
Stifel Nicolaus	Interest Payment	\$ 743.58
		\$ 743.58

DEPOSITS - CANON NATIONAL BANK RESERVE ACCOUNT		
Pueblo County	Maintenance Fund Assessment	\$ 200,211.67
		\$ 200,211.67

DEBITS - VECTRA CASH CHECKING ACCOUNT				
VENDOR	ITEM	AMOUNT	CHECK	CODE
BHE	Electrical Billing	Pre-paid		105
MBDG, PC	Bookkeeping	\$ 425.00	1139	90
Don Banner - B&B, PC	Attorney Fees	\$ 500.00	1131	80
Kidd Engineering	Engineer/Admin Fees	\$ 1,700.00	1137	83
Director Bernard	Fees	\$ 200.00	1132	81
Director Cordova	Fees	\$ 200.00	1138	81
Director Koehler	Fees	\$ 200.00	1134	81
Director Maroney	Fees	\$ 200.00	1135	81
	Mileage - Fountain Creek Committees, XXX@\$0.54			103
Director O'Hara	Fees	\$ 200.00	1142	81
Director Phillips	Fees	\$ 200.00	1136	81
Director Serna	Fees	\$ 200.00	1143	81
Director Willumstad	Fees	\$ 200.00	1140	81
Spaccamonti Excavating	Cleaning and Runyon Brush Removal	\$ 1,270.00	1144	105
Chem-Way Lawn Care	Weed Spraying	\$ 1,154.30	1133	105
Post Master	Post Office Bank Annual Rental	\$ 198.00	1141	96
		\$ 6,847.30		

	Maintenance Fund Assessment Support - Appraisal Phase III Services, Property Acquisitions, Artwork and Recreational Opportunities	\$ 4,816.50		105A
	Reimbursable copies, etc.			105A
	City of Pueblo 11th Street Bridge Project	\$ -		110J
	<b>NorthStar Subtotal</b>	<b>\$ 15,394.00</b>	1082	
K.R. Swerdfeger Construction,	Arkansas & Wildhorse Levees, Phase 2	\$ 137,543.46		110D
		\$ -		110G
	<b>Swerdfeger Subtotal</b>	<b>\$ 137,543.46</b>		
ASI Constructors, Inc.	Arkansas Levee, Phase 3	\$ -		110E
	<b>ASI Subtotal</b>	<b>\$ -</b>		
Altman, Keilbach, Lytle	Wildhorse Creek Area Eminent Domain and Land Acquisitions Invoice 4-30-17	\$ -		110G
Spaccamonti Excavating	No Trespassing Signage Along Levees	\$ 4,000.00	1083	110E
	<b>TOTAL CNB DRAW ACCT - CONSTRUCTION</b>	<b>\$ 156,937.46</b>		