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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 June 30, 2013 and December 31, 2012, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the one-month and six months ended June 30, 2013 and the year ended December 31, 2012. 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

July 18, 2013

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
JUNE 30, 2013 AND DECEMBER 31, 2012

	<u>6/30/2013</u>	<u>12/31/2012</u>
ASSETS		
VECTRA BANK CHECKING	\$ 307,174	\$ 34,500
VECTRA BANK MONEY MARKET	11,904	11,901
BROKERAGE MONEY MARKET ACCOUNTS	358,377	131,441
COLOTRUST INVESTMENT	25,070	25,053
WELLS FARGO INVESTMENT	-	399,085
STIFEL NICOLAUS INVESTMENT	227,871	260,045
MORGAN STANLEY INVESTMENT	505,497	
ACCRUED INTEREST	-	5,116
MAINTENANCE ASSESSMENTS RECEIVABLE	<u>249,144</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 1,685,037</u>	 <u>\$ 867,141</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
ACCOUNTS PAYABLE	\$ -	\$ 902
PAYROLL TAXES PAYABLE	<u>275</u>	<u>497</u>
 TOTAL LIABILITIES	 <u>275</u>	 <u>1,399</u>
 DEFERRED INFLOWS OF RESOURCES		
MAINTENANCE ASSESSMENTS	<u>249,144</u>	<u>-</u>
 ASSIGNED FUND BALANCE	 310,851	 310,851
UNASSIGNED FUND BALANCE	<u>1,124,767</u>	<u>554,891</u>
	-	
 TOTAL FUND BALANCE	 <u>1,435,618</u>	 <u>865,742</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 1,685,037</u>	 <u>\$ 867,141</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
 COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
 ACTUAL AND BUDGET - GENERAL FUND
 FOR THE SIX MONTHS ENDED JUNE 30, 2013
 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2012

	ACTUAL		2013 BUDGET	UNUSED BUDGET	2012 ACTUAL
	CURRENT MONTH	YEAR TO DATE			
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 2	\$ 9	\$ -	\$ -	\$ 56
MONEY MARKET ACCOUNTS	3	18	-	-	21
WELLS FARGO	1,000	5,575	-	-	21,749
STIFEL NICOLAUS	935	3,816	-	-	12,494
MORGAN STANLEY	1,270	1,270	-	-	-
UNREALIZED GAINS (LOSSES)	(6,810)	(20,101)	-	-	(13,834)
TOTAL INTEREST INCOME	(3,600)	(9,413)	30,000	39,413	20,486
MAINTENANCE FUND ASSESSMENT	89,551	650,358	314,000	(336,358)	92
CITY OF PUEBLO MAINT. FUND IGA	-	50,000	50,000	-	-
LEASE PAYMENTS	-	-	-	-	1,042
OTHER INCOME	-	275	-	(275)	-
TOTAL REVENUES	\$ 85,951	\$ 691,220	\$ 394,000	\$ (297,220)	\$ 21,620
EXPENDITURES					
80 LEGAL FEES	\$ 500	\$ 2,911	\$ 6,000	\$ 3,089	\$ 4,800
81 DIRECTORS FEES	600	3,600	7,200	3,600	3,735
82 FICA TAXES	-	-	551	551	286
83 ENGINEER/ADMINISTRATIVE	600	3,407	7,200	3,793	7,219
90 AUDIT & BOOKKEEPING	350	2,100	4,200	2,100	4,000
92 INSURANCE/BONDS	-	3,328	3,200	(128)	2,416
96 OFFICE EXPENSE	45	763	500	(263)	498
97 OFFICE RENT	-	840	1,000	160	840
100 PROFESSIONAL FEES	-	-	10,000	10,000	950
APPRAISAL	1,330	21,875	20,000	(1,875)	146,289
103 TRAVEL	-	-	-	-	-
105 REPAIRS & MAINTENANCE	4,030	7,520	20,000	12,480	2,215
ARKANSAS RIVER LEVEE REPAIRS	-	-	125,000	125,000	5,414
LEVEE CERTIFICATION-PRELIM	-	-	165,000	165,000	-
WILDHORSE/DRY CREEK LEVEE-PRELIM	-	-	15,000	15,000	-
WILDHORSE/DRY CREEK LEVEE DESIGN	-	-	50,000	50,000	-
WILDHORSE/DRY CREEK LEVEE CONSTRI	-	-	150,000	150,000	-
108 CONTINGENCIES	-	-	20,000	20,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	7,500
110 CAPITAL IMPROVEMENTS	-	-	5,000	5,000	-
111 PLANNING & DEVELOPMENT	-	-	5,000	5,000	-
112 HARP - O & M / HARP - IGA CNTRB	-	75,000	75,000	-	45,000
113 SALES TAX	-	-	-	-	-
TOTAL EXPENDITURES	7,455	121,344	704,851	583,507	231,162
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 78,496	\$ 569,876	\$ (310,851)	\$ (880,727)	\$ (209,542)

SEE ACCOUNTANTS' COMPILATION REPORT

<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/2012</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 6/30/2013</u>	<u>INTEREST RECEIVED 6/30/2013</u>
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				11,900.86	2.93	-	-	11,903.79	2.93
STIFEL NICOLAUS	Money Market Account				26,568.20	24,508.10	-	-	51,076.30	1.92
WELLS FARGO	Cash Sweep Account				104,872.42	55,167.64	(160,040.06)	-	-	2.40
MORGAN STANLEY	Cash Sweep Account				-	497,041.48	(189,740.65)	-	307,300.83	-
TOTAL CASH ACCOUNTS WITH BROKERS					143,341.48	576,720.15	(349,780.71)	-	370,280.92	7.25
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,052.96	17.65	-	-	25,070.61	17.65
TOTAL COLOTRUST					25,052.96	17.65	-	-	25,070.61	17.65
WELLS FARGO	FNMA 06-107 PD REMIC MULTICLASS CMO	6/25/2035	5.000%	78,000.00	83,811.78	-	(2,738.58)	81,073.20	-	1,950.00
	GNMA 08-7 PN REMIC MULTICLASS CMO	1/20/2037	4.250%	60,000.00	17,329.97	-	(307.12)	17,022.85	-	326.36
	FHLMC 3393 BY REMIC MULTICLASS CPN	11/15/2037	5.500%	94,000.00	98,327.20	-	(2,949.36)	95,377.84	-	2,271.64
	FNMA 2008-74B REMIC MULTICLASS CMO	9/25/1938	5.000%	50,000.00	27,540.49	-	(992.48)	26,548.01	-	649.41
	FHLMC 3626 UA REMIC MULTICLASS CMO	9/15/2039	5.000%	50,000.00	2,900.26	-	2.79	2,903.05	-	33.87
	GNMA 10-85 HQ REMIC MULTICLASS CMO	3/20/2040	5.000%	144,000.00	70,467.43	-	(586.31)	69,881.12	-	1,608.04
	FNMA 10-141 AL REMIC MULTICLASS CMO	12/25/2040	4.000%	90,000.00	98,707.50	-	(3,578.40)	95,129.10	-	1,800.00
TOTAL WELLS FARGO					399,084.63	-	(11,149.46)	387,935.17	-	8,639.32
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	1,390.86	-	(45.33)	254.89	1,090.64	49.04
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	117,339.56	-	(1,001.40)	10,187.69	106,150.47	3,276.12
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	39,657.77	-	(863.00)	8,089.29	30,705.48	933.12
	GNMA POOL #MA0318	8/20/1942	3.500%	95,000.00	101,657.02	-	(5,758.41)	5,974.31	89,924.30	1,610.41
TOTAL STIFEL NICOLAUS INVESTMENT					260,045.21	-	(7,668.14)	24,506.18	227,870.89	5,868.69
MORGAN STANLEY	FED NATL MTG ASSN	1/15/2014				60,002.73	(233.13)		59,769.60	
	TENN VALLEY AUTH	5/1/2016				129,737.92	(1,173.47)		128,564.45	
	FNR 2006-107 PD	6/25/1935	5.000%	78,000.00	-	81,073.20	(154.76)	6,609.27	74,309.17	325.00
	GNR 2008-7 PN	1/20/1937	4.250%	60,000.00	-	13,890.54	(94.23)	574.53	13,221.78	46.64
	FHR 3393 BY	11/15/1937	5.500%	94,000.00	-	74,544.19	203.33	2,752.39	71,995.13	314.12
	FNR 2008-74 B	9/25/1938	5.500%	53,000.00	-	21,964.99	42.92	1,255.66	20,752.25	92.75
	GNMA 10-85 HQ	3/20/1940	5.000%	144,000.00	-	46,167.91	768.49	4,537.97	42,398.43	191.78
	FNMA REMIC TRUST 2010-141 AL	12/25/1940	4.000%	90,000.00	-	95,129.10	(642.60)	-	94,486.50	300.00
TOTAL MORGAN STANLEY INVESTMENT					-	522,510.58	(1,283.45)	15,729.82	505,497.31	1,270.29
TOTAL INVESTMENTS					684,182.80	522,528.23	(20,101.05)	428,171.17	758,438.81	15,795.95
TOTAL ALL ACCOUNTS					827,524.28	1,099,248.38	(369,881.76)	428,171.17	1,128,719.73	15,803.20

PUEBLO CONSERVANCY DISTRICT

JUNE 2013 - JULY 2013

RECEIPTS

VENDOR	ITEM	AMOUNT
Stifel Nicolaus	Interest	\$ 921.61
Pueblo County Treasurer	Maintenance Fund Assessment Collections	\$ 219,950.67
		\$ 220,872.28

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Black Hills Energy	Electrical Billing	Pre-paid		105
MBDG, PC	Bookkeeping	\$ 350.00	140	90
Don Banner - B&B, PC	Attorney Fees	\$ 500.00	141	80
	Court E-File 5-22-13	\$ 13.50	"	96
Kidd Engineering	Engineer/Admin Fees	\$ 600.00	142	83
Paul Willumstad	Director Fees	\$ 184.70	143	81
Matt Cordova	Director Fees	\$ 184.70	144	81
Donna Phillips	Director Fees	\$ 184.70	145	81
Laser Graph'X	Recognition Plaques	\$ 407.72	146	96
		\$ 2,425.32		