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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 June 30, 2017 and December 31, 2016, and the related statements of revenues and expenditures - general fund for the one-month and six months ended June 30, 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, Bryffers, Duvall & Bookchin, PC

July 21, 2017

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
JUNE 30, 2017 AND DECEMBER 31, 2016

	<u>6/30/2017</u>	<u>12/31/2016</u>
ASSETS		
VECTRA BANK CHECKING	\$ 8,814	\$ 48,676
VECTRA BANK MONEY MARKET	11,928	11,925
BROKERAGE MONEY MARKET ACCOUNTS	713,730	330,542
BANK OF THE SAN JUANS TRUST ACCT	138,459	916
BANK OF THE SAN JUANS RESERVE ACCT	851,116	427,529
COLOTRUST INVESTMENT	25,446	25,322
STIFEL NICOLAUS INVESTMENT	199,677	215,379
MORGAN STANLEY INVESTMENT	319,775	734,092
ACCRUED INTEREST & OTHER RECEIVABLES	-	1,817
MAINTENANCE ASSESSMENTS RECEIVABLE	<u>266,737</u>	<u>1,158,000</u>
 TOTAL ASSETS	 <u>\$ 2,535,682</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>266,737</u>	<u>1,158,000</u>
 ASSIGNED FUND BALANCE	 -	 -
UNASSIGNED FUND BALANCE	<u>2,268,945</u>	<u>1,475,919</u>
 TOTAL FUND BALANCE	 <u>2,268,945</u>	 <u>1,475,919</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 2,535,682</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 SIX MONTHS ENDED JUNE 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	\$ 23	\$ 123	\$ -	\$ -	\$ 163
MONEY MARKET ACCOUNTS	6	33	-	-	35
ABC BANK	-	-	-	-	9
BANK OF THE SAN JUANS	8	37	-	-	64
STIFEL NICOLAUS	743	3,479	-	-	10,293
MORGAN STANLEY	1,057	5,756	-	-	15,280
UNREALIZED GAINS (LOSSES)	(7,237)	(3,325)	-	-	(18,213)
TOTAL INTEREST INCOME	(5,400)	6,103	21,000	14,897	7,631
MAINTENANCE FUND ASSESSMENT	200,212	891,263	1,158,000	266,737	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	-	6,677	-	(6,677)	60,000
TOTAL REVENUES	\$ 194,812	\$ 3,561,654	\$ 4,381,135	\$ 819,481	\$ 5,928,125
EXPENDITURES					
80 LEGAL FEES	\$ 500	\$ 2,139	\$ 24,000	\$ 21,861	\$ 10,503
81 DIRECTORS FEES	1,600	9,800	21,600	11,800	21,600
83 ENGINEER/ADMINISTRATIVE	1,700	8,500	20,400	11,900	22,570
90A BOOKKEEPING & AUDIT PREP	425	2,125	10,500	8,375	14,420
90B AUDIT	-	-	6,000	6,000	6,067
92 INSURANCE/BONDS	-	2,527	3,500	973	768
96 OFFICE EXPENSE	209	256	1,000	744	388
97 OFFICE RENT/STORAGE	-	1,050	1,050	-	1,050
100 PROFESSIONAL FEES	-	7,455	12,500	5,045	15,791
APPRAISAL	-	-	-	-	-
103 TRAVEL	-	342	3,000	2,658	1,640
105 REPAIRS & MAINTENANCE	-	2,974	8,500	5,526	3,410
105A MAINTENANCE FUND ASSESSMENT	4,817	16,549	3,000	(13,549)	16,225
PROGRAMMING & MAINTENANCE	-	-	-	-	-
108 CONTINGENCIES	-	-	20,000	20,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	-
110 CAPITAL IMPROVEMENTS	-	15,000	5,000	(10,000)	340,934
PLANNING & DEVELOPMENT	-	-	10,000	10,000	-
110A CONTRACT ADMIN & OVERSIGHT	-	6,035	20,000	13,965	11,237
110B ARKANSAS RIVER PHASE 3 LEVEE DESIGN	2,140	142,930	-	(142,930)	66,966
ARKANSAS RIVER PHASE 4 LEVEE DESIGN	4,735	4,735	-	-	-
110C ARKANSAS RIVER PHASE 2&3 STAKING	-	-	-	-	4,818
AS-BUILTS, CO	-	-	-	-	-
110D ARKANSAS RIVER PHASE 2 CONSTRUCTION	-	(85,131)	-	85,131	1,713,039
110E ARKANSAS RIVER PHASE 3 CONSTRUCTION	4,000	2,655,727	2,800,000	144,273	1,631,409
110F ARKANSAS RIVER LEVEE CERTIFICATION	-	-	-	-	-
DESIGN &/OR CONSTRUCTION	-	-	-	-	-
110G WILDHORSE/DRY CREEK LEVEE CONSTRUCTION	-	(47,193)	-	47,193	1,111,753
110H WILDHORSE/DRY CREEK STAKING,	3,702	18,885	45,000	26,115	142,866
AS-BUILTS, CO	-	-	50,000	-	-
110J WILDHORSE/DRY CREEK DES & CONSTR	-	1,600	-	-	-
110K ARKANSAS RIVER PHASE 4 LEVEE DESIGN	-	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	23,828	2,768,630	4,090,050	1,321,420	5,897,454
EXCESS (DEFICIENCY) OF REVENUES	\$ 170,984	\$ 793,024	\$ 291,085	\$ (501,939)	\$ 30,671
OVER EXPENDITURES					

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
6/30/2017

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2016	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 6/30/2017	INTEREST RECEIVED 6/30/2017
CASH ACCOUNTS										
VECTRA BANK	Money Market Account				11,924.71	2.98	-	-	11,927.69	2.98
STIFEL NICOLAUS	Money Market Account				50,764.37	13,357.05	-	-	64,121.42	8.51
MORGAN STANLEY	Cash Sweep Account				279,777.89	419,825.02	-	50,000.00	649,602.91	21.51
TOTAL CASH ACCOUNTS WITH BROKERS					342,466.97	433,185.05	-	50,000.00	725,652.02	33.00
INVESTMENTS										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,322.14	123.77	-	-	25,445.91	123.77
TOTAL COLOTRUST					25,322.14	123.77	-	-	25,445.91	123.77
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
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	56,149.68	-	(686.64)	4,355.12	51,107.92	1,681.12
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	10,868.48	-	(181.29)	1,149.38	9,537.81	261.99
	GNMA POOL #MA0318	8/20/2042	3.500%	95,000.00	48,379.76	-	(365.49)	4,313.48	43,700.79	791.80
	GNMA POOL #AA5748	10/15/1942	4.000%	90,000.00	76,786.25	-	(768.44)	890.99	75,126.82	1,436.62
	GNMA POOL #MA1839	4/20/2044	4.000%	50,000.00	23,161.93	-	(351.12)	2,607.28	20,203.53	421.48
TOTAL STIFEL NICOLAUS INVESTMENT					215,378.43	-	(2,353.02)	13,348.54	199,676.87	4,593.78
MORGAN STANLEY	FNMA MED TERM NOTE	9/23/2017		100,000.00	99,307.00	-	417.00	-	99,724.00	-
	FNMA POOL MA0629	1/1/2021	3.500%	100,000.00	15,281.19	-	(139.85)	3,154.37	11,986.97	198.13
	FNMA	12/27/2027	2.500%	220,000.00	208,388.40	-	(348.23)	208,040.17	-	2,291.65
	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	4.250%	60,000.00	2,282.12	-	(24.24)	530.62	1,727.26	36.50
	FHR 3393 BY	11/15/2037	5.500%	94,000.00	24,120.06	-	(363.86)	2,651.49	21,104.71	462.32
	FHLMC REMIC SERIES 4047 PA	12/15/2037	2.000%	230,000.00	96,768.90	-	56.16	13,007.22	83,817.84	756.17
	FNR 2008-74 B	9/25/2038	5.500%	53,000.00	7,980.41	-	(175.34)	1,250.63	6,554.44	157.07
	FNMA REMIC TRUST 2010-141 AL	12/25/2040	4.000%	90,000.00	94,140.90	-	719.10	-	94,860.00	1,500.00
TOTAL MORGAN STANLEY INVESTMENT					734,091.98	-	(972.26)	413,344.50	319,775.22	5,401.84
TOTAL INVESTMENTS					974,792.55	123.77	(3,325.28)	426,693.04	544,898.00	10,119.39
TOTAL ALL ACCOUNTS					1,317,259.52	433,308.82	(3,325.28)	476,693.04	1,270,550.02	10,152.39

PUEBLO CONSERVANCY DISTRICT

JUNE 2017 - JULY 2017

DEPOSITS - VECTRA BANK		
VENDOR	ITEM	AMOUNT
Stifel Nicolaus	Interest Payment	\$ 735.00
		\$ 735.00

DEPOSITS - CANON NATIONAL BANK RESERVE ACCOUNT		
Pueblo County	Maintenance Fund Assessment	\$ 243,925.25
		\$ 243,925.25

DEBITS - VECTRA CASH CHECKING ACCOUNT				
VENDOR	ITEM	AMOUNT	CHECK	CODE
BHE	Electrical Billing	Prepaid		105
MBDG, PC	Bookkeeping	\$ 425.00	1148	90
Don Banner - B&B, PC	Attorney Fees	\$ 500.00	1156	80
Kidd Engineering	Engineer/Admin Fees	\$ 1,700.00	1150	83
Director Bernard	Fees	\$ 200.00	1155	81
Director Cordova	Fees	\$ 200.00	1149	81
Director Koehler	Fees	\$ 200.00	1154	81
Director Maroney	Fees	\$ 200.00	1153	81
	Mileage - Fountain Creek Committees, 145@\$0.54	\$ 78.30	"	103
Director Martin	Fees	\$ 200.00	1151	81
Director O'Hara	Fees	\$ 200.00	1146	81
Director Phillips	Fees	\$ 200.00	1152	81
Director Serna	Fees	\$ 200.00	1145	81
Director Willumstad	Fees	\$ 200.00	1147	81
		\$ 4,503.30		

DEBITS - BANK OF THE SAN JUANS RESERVE ACCOUNT			
Pueblo Conservancy District	Transfer to Construction Draw Account	\$ 70,000.00	
		\$ -	

DEBITS - BANK OF THE SAN JUANS - CONSTRUCTION DRAW ACCOUNT				
Kidd Engineering	CWCB Loan and Grant Application Documents and Presentations, May 10 through July 1, 2017	\$ 23,100.00	1088	100
NorthStar Engineering	ARKANSAS RIVER LEVEE:			
	Task C - Arkansas Levee "As-Constructed" Survey and Conditional Evaluation Contract	\$ -		110D
	Task D - Design, Permitting, and Regulatory Approvals Contract	\$ -		110D
	Task E - Construction Support Services, Geotechnical Testing, Staking, As-Builts	\$ -		110C
	Task F - Phase 3 Final Design, Construction Documents, Bidding	\$ 496.00		110B
	Reimbursable copies, etc.	\$ -		110B
	Task G.2Phase 4 Final Design, Construction Documents, Bidding	\$ 6,045.00		110B
	Tasks G.3, G.4 and G.5 Construction Staking, Construction Observations, and Construction Testing	\$ -		
	Task H - Prepare Bidding and Construction Documents for HARP Diversion Structure	\$ 3,840.00		
	WILDHORSE CREEK LEVEE:			
	Task A - "Original As-Constructed" / Boundary Surveys			110H
	Task C - Design, Permitting, and Regulatory Approvals			110H
	Task D - Construction Support Services			110H
	Reimbursable copies, etc.			110H
	Maintenance Fund Assessment Support - Appraisal Phase III Services, Property Acquisitions, Artwork and Recreational Opportunities, CWCB Grant and Loan Application Support	\$ 6,675.00		105A
	Reimbursable copies, etc.	\$ 16.50		105A
	NorthStar Subtotal	\$ 17,072.50	1089	
K.R. Swerdfeger Construction, Inc.	Arkansas & Wildhorse Levees, Phase	\$ -		110D
	Payment was approved from the Vectra account in May but was not made	\$ 25,348.14		110G
	Swerdfeger Subtotal	\$ 25,348.14	1084	
Altman, Keilbach, Lytle	Wildhorse Creek Area Eminent Domain and Land Acquisitions Invoice 5-31-16	\$ 220.00	1086	80
Banner & Bower	2nd Quarter work for maintenance fund assessment adjustments, Phase 4 contracting, New construction financing RFP's and applications	\$ 9,300.00	1087	80
HARP Authority	IGA Contribution	\$ 50,000.00	1092	112B
HARP Authority	Maintenance Contribution	\$ 10,000.00	"	112A
Pueblo Chieftain	KR Swerdfeger (Phase 2) Final Payment Advertisement	\$ 41.26	1090	110D
Pueblo County Treasurer	Tax on Parcels 05262-45-005, 05262-45-006, and 14062-14-008	\$ 489.31	1091	110G
	TOTAL BANK OF THE SAN JUANS DRAW ACCT	\$ 135,571.21		