



McPherson,
Breyfogle,
Daveline &
Goodrich, PC
Certified Public Accountants

503 N Main, Suite 740
Pueblo, CO 81003
Phone (719) 543-0516
Fax (719) 544-2849

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 July 31, 2013 and December 31, 2012, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the one-month and seven months ended July 31, 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

August 27, 2013

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

	<u>7/31/2013</u>	<u>12/31/2012</u>
ASSETS		
VECTRA BANK CHECKING	\$ 525,618	\$ 34,500
VECTRA BANK MONEY MARKET	11,904	11,901
BROKERAGE MONEY MARKET ACCOUNTS	377,922	131,441
COLOTRUST INVESTMENT	25,073	25,053
WELLS FARGO INVESTMENT	-	399,085
STIFEL NICOLAUS INVESTMENT	223,612	260,045
MORGAN STANLEY INVESTMENT	489,674	
ACCRUED INTEREST	-	5,116
MAINTENANCE ASSESSMENTS RECEIVABLE	<u>29,193</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 1,682,996</u>	 <u>\$ 867,141</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
ACCOUNTS PAYABLE	\$ -	\$ 902
PAYROLL TAXES PAYABLE	<u>322</u>	<u>497</u>
 TOTAL LIABILITIES	 <u>322</u>	 <u>1,399</u>
 DEFERRED INFLOWS OF RESOURCES MAINTENANCE ASSESSMENTS	 <u>29,193</u>	 <u>-</u>
ASSIGNED FUND BALANCE	310,851	310,851
UNASSIGNED FUND BALANCE	<u>1,342,630</u>	<u>554,891</u>
 TOTAL FUND BALANCE	 <u>1,653,481</u>	 <u>865,742</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 1,682,996</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 SEVEN MONTHS ENDED JULY 31, 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	\$ 20	\$ -	\$ -	\$ 56
MONEY MARKET ACCOUNTS	4	13	-	-	21
WELLS FARGO	-	5,575	-	-	21,749
STIFEL NICOLAUS	922	4,738	-	-	12,494
MORGAN STANLEY	1,203	2,473	-	-	-
UNREALIZED GAINS (LOSSES)	(1,744)	(21,845)	-	-	(13,834)
TOTAL INTEREST INCOME	387	(9,026)	30,000	39,026	20,486
MAINTENANCE FUND ASSESSMENT	219,951	870,308	314,000	(556,308)	92
CITY OF PUEBLO MAINT. FUND IGA	-	50,000	50,000	-	-
LEASE PAYMENTS	-	-	-	-	1,042
OTHER INCOME	-	275	-	(275)	-
TOTAL REVENUES	\$ 220,338	\$ 911,557	\$ 394,000	\$ (517,557)	\$ 21,620
EXPENDITURES					
80 LEGAL FEES	\$ 500	\$ 3,411	\$ 6,000	\$ 2,589	\$ 4,800
81 DIRECTORS FEES	603	4,203	7,200	2,997	3,735
82 FICA TAXES	-	-	551	551	286
83 ENGINEER/ADMINISTRATIVE	600	4,007	7,200	3,193	7,219
90 AUDIT & BOOKKEEPING	350	2,450	4,200	1,750	4,000
92 INSURANCE/BONDS	-	3,328	3,200	(128)	2,416
96 OFFICE EXPENSE	421	1,184	500	(684)	498
97 OFFICE RENT	-	840	1,000	160	840
100 PROFESSIONAL FEES	-	-	10,000	10,000	950
APPRAISAL	-	21,875	20,000	(1,875)	146,289
103 TRAVEL	-	-	-	-	-
105 REPAIRS & MAINTENANCE	-	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	2,474	123,818	704,851	581,033	231,162
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 217,864	\$ 787,739	\$ (310,851)	\$ (1,098,590)	\$ (209,542)

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BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2012	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 7/31/2013	INTEREST RECEIVED 7/31/2013
CASH ACCOUNTS										
VECTRA BANK	Money Market Account				11,900.86	3.47	-	-	11,904.33	3.47
STIFEL NICOLAUS	Money Market Account			26,568.20	27,752.95	-	-	-	54,501.15	2.35
WELLS FARGO	Cash Sweep Account			104,872.42	55,167.64	(160,040.06)	-	-	-	2.40
MORGAN STANLEY	Cash Sweep Account			-	513,361.20	(189,740.65)	-	-	323,620.55	4.12
TOTAL CASH ACCOUNTS WITH BROKERS										
				143,341.48	596,265.26	(349,780.71)	-	-	389,826.03	12.34
INVESTMENTS										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,052.96	20.13	-	-	25,073.09	20.13
TOTAL COLOTRUST										
				25,052.96	20.13	-	-	-	25,073.09	20.13
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										
	FED HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	1,390.86	-	(49.30)	281.14	1,060.42	56.31
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	117,339.56	-	(1,068.78)	105,422.29	3,797.94	3,797.94
	GNMA POOL #603851	5/20/2036	5.500%	165,000.00	39,657.77	-	(1,029.88)	9,510.35	29,117.54	1,066.74
	GNMA POOL #MA0318	8/20/1942	3.500%	95,000.00	101,657.02	-	(6,554.20)	7,090.62	88,012.10	1,869.31
TOTAL STIFEL NICOLAUS INVESTMENT										
				260,045.21	-	(8,702.26)	27,730.60	27,730.60	223,612.35	6,790.30
MORGAN STANLEY										
	FED NATL MTG ASSN	1/15/2014			60,002.73	(193.53)			59,809.20	
	TENN VALLEY AUTH	5/1/2016			129,737.92	(757.18)			128,980.74	
	FNR 2006-107 FD	6/25/1935	5.000%	78,000.00	-	81,073.20	(107.87)	12,118.07	68,847.26	622.46
	GNR 2008-7 PN	1/20/1937	4.250%	60,000.00	-	13,890.54	(59.46)	1,046.23	12,784.85	91.24
	FHR 3393 BY	11/15/1937	5.500%	94,000.00	-	74,544.19	179.71	5,938.39	68,785.51	615.62
	FNR 2008-74 B	9/25/1938	5.500%	53,000.00	-	21,964.99	135.88	1,775.04	20,325.83	179.75
	GNMA 10-85 HQ	3/20/1940	5.000%	144,000.00	-	46,167.91	464.78	9,965.57	36,667.12	364.65
	FNMA REMIC TRUST 2010-141 AL	12/25/1940	4.000%	90,000.00	-	95,129.10	(1,656.00)	-	93,473.10	600.00
TOTAL MORGAN STANLEY INVESTMENT										
				-	-	522,510.58	(1,993.67)	30,843.30	489,673.61	2,473.72
TOTAL INVESTMENTS										
				684,182.80	522,510.71	(21,845.39)	446,509.07	446,509.07	738,359.05	17,923.47
TOTAL ALL ACCOUNTS										
				827,524.28	1,118,795.97	(371,626.10)	446,509.07	446,509.07	1,128,185.08	17,955.81

PUEBLO CONSERVANCY DISTRICT

JULY 2013 - AUGUST 2013

RECEIPTS

VENDOR	ITEM	AMOUNT
Stifel Nicolaus	Interest Payment	\$ 908.31
		\$ 908.31

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Black Hills Energy	Lake Runyon Electrical	\$ 400.00	147	105
MBDG, PC	Bookkeeping	\$ 350.00	148	90
	Setup Maint Fund Assmnt & Revenue Schedules	\$ 420.00	"	90
Don Banner - B&B, PC	Attorney Fees	\$ 500.00	149	80
Kidd Engineering	Engineer/Admin Fees	\$ 600.00	150	83
	Bustillos & 11th Street	\$ 187.50	"	100
	Card, Stamps	\$ 12.41	"	96
Paul Willumstad	Fees	\$ 184.70	151	81
Matt Cordova	Fees	\$ 182.00	152	81
Donna Phillips	Fees	\$ 184.70	153	81
Chem-Way Lawn Care	Levee Weed Spraying	\$ 298.33	154	105
	Appraisal Phase III Progress			
NorthStar Engineering	Payment for July and August	\$ 860.00	155	100
	Concrete Levee-River Side, Weed			
Colorado Vegetation Management	Spraying Coop w/ County	\$ 3,750.00	156	105
		\$ 7,929.64		