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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 July 31, 2016 and December 31, 2015, and the related statements of revenues and expenditures - general fund for the seven months ended July 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

August 23, 2016

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

	<u>7/31/2016</u>	<u>12/31/2015</u>
ASSETS		
VECTRA BANK CHECKING	\$ 90,345	\$ 133,478
VECTRA BANK MONEY MARKET	11,922	11,919
ABC BANK MONEY MARKET CHECKING	-	2,157
BROKERAGE MONEY MARKET ACCOUNTS	250,485	200,765
BANK OF THE SAN JUANS TRUST ACCT	11	(10)
BANK OF THE SAN JUANS RESERVE ACCT	1,075,692	-
COLOTRUST INVESTMENT	25,238	25,159
STIFEL NICOLAUS INVESTMENT	233,203	262,577
MORGAN STANLEY INVESTMENT	834,645	819,209
ACCRUED INTEREST & OTHER RECEIVABLES	-	2,410
MAINTENANCE ASSESSMENTS RECEIVABLE	-	<u>1,015,000</u>
TOTAL ASSETS	<u>\$ 2,521,541</u>	<u>\$ 2,472,664</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
ACCOUNTS PAYABLE	\$ -	\$ 12,416
MAINTENANCE FUND REFUND PAYABLE	-	-
TOTAL LIABILITIES	<u>-</u>	<u>12,416</u>
DEFERRED INFLOWS OF RESOURCES		
MAINTENANCE ASSESSMENTS	-	<u>1,015,000</u>
ASSIGNED FUND BALANCE	1,445,248	1,445,248
UNASSIGNED FUND BALANCE	<u>1,076,293</u>	<u>-</u>
TOTAL FUND BALANCE	<u>2,521,541</u>	<u>1,445,248</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 2,521,541</u>	<u>\$ 2,472,664</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
 COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
 ACTUAL AND BUDGET - GENERAL FUND
 FOR THE SIX MONTHS ENDED JULY 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	\$ 13	\$ 79	\$ -	\$ -	\$ 44
MONEY MARKET ACCOUNTS	3	16	-	-	25
ABC BANK	-	9	-	-	12,213
BANK OF THE SAN JUANS	8	26	-	-	-
STIFEL NICOLAUS	855	5,069	-	-	10,924
MORGAN STANLEY	1,291	8,621	-	-	20,659
UNREALIZED GAINS (LOSSES)	(270)	25,836	-	-	3,342
TOTAL INTEREST INCOME	1,900	39,656	21,000	(18,656)	47,207
MAINTENANCE FUND ASSESSMENT	262,019	1,060,260	1,015,000	(45,260)	855,527
CITY OF PUEBLO MAINT. FUND IGA	-	-	-	-	77,500
MAINTENANCE FUND REFUND	-	-	-	-	-
LOAN PROCEEDS	27,883	2,686,328	-	-	2,593,702
OTHER INCOME	60,000	60,000	-	(60,000)	-
TOTAL REVENUES	\$ 351,802	\$ 3,846,244	\$ 1,036,000	\$ (2,810,244)	\$ 3,573,936
EXPENDITURES					
80 LEGAL FEES	\$ 500	\$ 40,562	\$ 36,000	\$ (4,562)	\$ 23,762
81 DIRECTORS FEES	1,800	12,600	21,600	9,000	21,600
83 ENGINEER/ADMINISTRATIVE	1,700	12,720	20,400	7,680	15,765
90A BOOKKEEPING & AUDIT PREP	400	2,400	10,500	8,100	18,377
90B AUDIT	-	418	6,000	5,582	-
92 INSURANCE/BONDS	-	768	3,500	2,732	2,503
96 OFFICE EXPENSE	-	338	1,000	662	967
97 OFFICE RENT/STORAGE	-	1,050	1,050	-	1,050
100 PROFESSIONAL FEES	-	10,716	12,500	1,784	3,000
APPRaisal	-	-	-	-	-
103 TRAVEL	124	754	2,400	1,646	508
105 REPAIRS & MAINTENANCE	1,130	1,680	8,500	6,820	23,806
105A MAINTENANCE FUND ASSESSMENT	210	2,685	1,000	(1,685)	5,571
PROGRAMMING & MAINTENANCE	-	-	-	-	-
108 CONTINGENCIES	-	-	20,000	20,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	-
110 CAPITAL IMPROVEMENTS	-	1,719,718	5,000	(1,714,718)	171,187
PLANNING & DEVELOPMENT	-	-	10,000	10,000	-
110A CONTRACT ADMIN & OVERSIGHT	210	910	35,000	34,090	39,674
110B ARKANSAS RIVER PHASE 3 LEVEE DESIGN	3,155	12,495	50,000	37,505	-
110C ARKANSAS RIVER PHASE 2&3 STAKING	-	4,818	45,000	40,182	-
AS-BUILTS, CO	-	-	-	-	-
110D ARKANSAS RIVER PHASE 2 CONSTRUCTION	10,220	571,830	1,200,000	628,170	-
110E ARKANSAS RIVER PHASE 3 CONSTRUCTION	-	-	500,000	500,000	-
110F ARKANSAS RIVER LEVEE CERTIFICATION	-	-	-	-	2,497,273
DESIGN &/OR CONSTRUCTION	-	-	-	-	-
110G WILDHORSE/DRY CREEK LEVEE CONSTRUCTION	7,386	278,526	1,500,000	1,221,474	-
110H WILDHORSE/DRY CREEK STAKING,	6,702	34,964	45,000	10,036	-
AS-BUILTS, CO	-	-	-	-	-
110I WILDHORSE/DRY CREEK LEVEE-DESIGN	-	-	-	-	-
PRELIMINARY DESIGN	-	-	-	-	-
110J WILDHORSE/DRY CREEK LEVEE DESIGN	-	-	-	-	-
&/OR CONSTRUCTION	-	-	-	-	-
112A HARP - O & M	-	10,000	10,000	-	60,000
112B HARP IGA CONTRIBUTION	-	50,000	50,000	-	-
113 CONSTRUCTION LOAN PAYMENT	-	-	700,000	700,000	2,554,542
TOTAL EXPENDITURES	33,537	2,769,952	4,309,450	1,539,498	5,439,585
EXCESS (DEFICIENCY) OF REVENUES	\$ 318,265	\$ 1,076,292	\$ (3,273,450)	\$ (4,349,742)	\$ (1,865,649)
OVER EXPENDITURES					

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
7/31/2016

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2015	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 7/31/2016	INTEREST RECEIVED 7/31/2016
CASH ACCOUNTS										
VECTRA BANK	Money Market Account				11,918.78	3.42	-	-	11,922.20	3.42
STIFEL NICOLAUS	Money Market Account			6,708.08	29,865.90	-	-	-	36,573.98	3.27
MORGAN STANLEY	Cash Sweep Account			194,057.38	221,258.49	-	-	201,405.50	213,910.37	9.77
	TOTAL CASH ACCOUNTS WITH BROKERS			212,684.24	251,127.81	-	-	201,405.50	262,406.55	16.46
INVESTMENTS										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,158.66	79.21	-	-	25,237.87	79.21
	TOTAL COLOTRUST			25,158.66	79.21	-	-	-	25,237.87	79.21
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	207.63	-	(3.32)	101.46	102.85	8.17
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	65,494.29	-	(91.37)	4,688.63	60,714.29	2,264.08
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	13,961.75	-	(185.33)	1,840.77	11,935.65	384.16
	GNMA POOL #MA0318	8/20/2042	3.500%	95,000.00	61,365.14	-	812.30	6,723.64	55,453.80	1,163.69
	GNMA POOL #AA5748	10/15/1942	4.000%	90,000.00	89,745.13	-	195.26	11,738.22	78,202.17	1,925.28
	GNMA POOL #MA1839	4/20/2044	4.000%	50,000.00	31,802.63	-	(238.21)	4,769.91	26,794.51	666.07
	TOTAL STIFEL NICOLAUS INVESTMENT			262,576.57	-	-	489.33	29,862.63	233,203.27	6,411.45
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	-	1,203.00	-	99,170.00	-
	FNMA POOL MA0629	1/1/2021	3.500%	100,000.00	23,490.42	-	(20.43)	4,688.40	18,781.59	416.79
	FNMA	12/27/2027	2.500%	220,000.00	209,063.80	-	10,962.60	-	220,026.40	3,208.31
	FNMA	5/15/2030	2.838%	300,000.00	-	201,405.50	6,884.50	-	208,290.00	-
	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	-	(33.95)	8,191.91	200.29	87.06
	GNR 2008-7 PN	1/20/2037	4.250%	60,000.00	3,835.07	-	(34.26)	842.74	2,958.07	82.86
	FHR 3393 BY	11/15/2037	5.500%	94,000.00	29,707.43	-	(9.88)	3,391.18	26,306.37	803.73
	FHLMC REMIC SERIES 4047 PA	12/15/2037	2.000%	230,000.00	135,386.74	-	1,598.30	19,144.21	117,840.83	1,492.03
	FNR 2008-74 B	9/25/2038	5.500%	55,000.00	8,832.77	-	104.62	206.60	8,730.79	251.37
	FNMA REMIC TRUST 2010-141 AL	12/25/2040	4.000%	90,000.00	95,531.40	-	3,663.90	-	99,195.30	2,100.00
	FHLMC 4321 YB	7/15/2043	3.500%	200,000.00	71,298.89	-	1,057.28	39,210.64	33,145.53	1,224.50
	TOTAL MORGAN STANLEY INVESTMENT			819,209.18	201,405.50	25,589.90	211,559.41	834,645.17	9,689.31	
	TOTAL INVESTMENTS			1,106,944.41	201,484.71	26,079.23	241,422.04	1,093,086.31	16,179.97	
	TOTAL ALL ACCOUNTS			1,319,628.65	452,612.52	26,079.23	442,827.54	1,355,492.86	16,196.43	

PUEBLO CONSERVANCY DISTRICT

JULY 2016 - AUGUST 2016

DEPOSITS - VECTRA BANK		
VENDOR	ITEM	AMOUNT
Stifel Nicolaus	Interest Payment	\$ 844.57
		\$ 844.57

DEPOSITS - CANON NATIONAL BANK RESERVE ACCOUNT		
Pueblo County	Maintenance Fund Assessment	\$ 15,437.90
		\$ 15,437.90

DEBITS - VECTRA CASH CHECKING ACCOUNT				
VENDOR	ITEM	AMOUNT	CHECK	CODE
BHE	Electrical Billing	Pre-paid		105
MBDG, PC	Bookkeeping	\$ 400.00	1011	90
Don Banner - B&B, PC	Attorney Fees	\$ 500.00	998	80
	FedEx	\$ 36.24		110G
	Pueblo County Clerk & Recorder Fee	\$ 22.00		110G
Kidd Engineering	Engineer/Admin Fees	\$ 1,700.00	1004	83
Director Alt	Fees	\$ 200.00	1010	81
Director Bernard	Fees	\$ 200.00	999	81
Director Cordova	Fees	\$ 200.00	1005	81
Director Koehler	Fees	\$ 200.00	1001	81
Director Maroney	Fees	\$ 200.00	1002	81
	Mileage - Fountain Creek Committees, 375@\$0.54	\$ 202.50		103
Director O'Hara	Fees	\$ 200.00	1007	81
Director Phillips	Fees	\$ 200.00	1003	81
Director Serna	Fees	\$ 200.00	1008	81
Director Willumstad	Fees	\$ 200.00	1006	81
Elmer Aguirre	Aguirre Property Acquisition Payment	\$ 6,000.00	997	110G
Spaccamonti Excavating	Lake Runyon entrance trash removal	\$ 600.00	1009	105
Chem-Way Lawn Care	Levee weed spraying	\$ 357.50	1000	105
		\$ 11,618.24		

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	\$ 770.00	1041	110A
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.2 - Phase 3 Final Design, Construction Documents, Bidding	\$ 6,235.00		110B
	Reimbursable copies, etc.	\$ 112.00		110B
	WILDHORSE CREEK LEVEE:			
	Task A - "Original As-Constructed" / Boundary Surveys			110H
	Task C - Design, Permitting, and Regulatory Approvals	\$ 8,912.50		110H
	Task D - Construction Support Services			110H
	Reimbursable copies, etc.	\$ 22.00		110H
	Maintenance Fund Assessment Support - Appraisal Phase III Services, Property Acquisitions, Artwork and Recreational Opportunities	\$ 3,910.00		105A
	Reimbursable copies, etc.	\$ 371.00		105A
	NorthStar Subtotal	\$ 19,562.50	1042	
K.R. Swerdfeger Construction, Inc.	Arkansas & Wildhorse Levees, Phase 2	\$ -		110D
		\$ -		110G
	Swerdfeger Subtotal	\$ -		
Altman, Keilbach, Lytle	Wildhorse Creek Area Eminent Domain and Land Acquisitions Invoice 5-31-16	\$ 4,041.80	1045	110G
I.J. Hill	1922 West 16th Street Homeowner's Appraisal	\$ 450.00	1043	110G
ebersoleMEDIA	Video of Aguirre Property	\$ 200.00	1044	110G
	TOTAL CANON NATIONAL DRAW ACCT	\$ 25,024.30		