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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 September 30, 2015 and December 31, 2014, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the one month and nine months ended September 30, 2015 and the year ended December 31, 2014. 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

October 21, 2015

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
SEPTEMBER 30, 2015 AND DECEMBER 31, 2014

	<u>9/30/2015</u>	<u>12/31/2014</u>
ASSETS		
VECTRA BANK CHECKING	\$ 248,066	\$ 100,656
VECTRA BANK MONEY MARKET	11,917	11,913
ABC BANK MONEY MARKET CHECKING	2,144	2,501,746
BROKERAGE MONEY MARKET ACCOUNTS	182,418	165,861
COLOTRUST INVESTMENT	25,143	25,114
STIFEL NICOLAUS INVESTMENT	239,247	262,217
MORGAN STANLEY INVESTMENT	866,247	1,004,961
ACCRUED INTEREST & OTHER RECEIVABLES	-	2,629
MAINTENANCE ASSESSMENTS RECEIVABLE	<u>11,939</u>	<u>850,000</u>
 TOTAL ASSETS	 <u>\$ 1,587,121</u>	 <u>\$ 4,925,097</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
ACCOUNTS PAYABLE	\$ -	\$ 757,391
PAYROLL TAXES PAYABLE	-	826
MAINTENANCE FUND REFUND PAYABLE	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>-</u>	 <u>758,217</u>
 DEFERRED INFLOWS OF RESOURCES		
MAINTENANCE ASSESSMENTS	<u>11,939</u>	<u>850,000</u>
 ASSIGNED FUND BALANCE	 2,851,990	 2,851,990
UNASSIGNED FUND BALANCE	<u>(1,276,808)</u>	<u>464,890</u>
 TOTAL FUND BALANCE	 <u>1,575,182</u>	 <u>3,316,880</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 1,587,121</u>	 <u>\$ 4,925,097</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
 COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
 ACTUAL AND BUDGET - GENERAL FUND
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015
 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2014

	ACTUAL		2015 BUDGET	UNUSED BUDGET	2014 ACTUAL
	CURRENT MONTH	YEAR TO DATE			
REVENUES					
INTEREST INCOME					
COLOTRUST	\$ 4	\$ 28	\$ -	\$ -	\$ 29
MONEY MARKET ACCOUNTS	3	18	-	-	38
ABC BANK	4	12,199	-	-	1,747
STIFEL NICOLAUS	885	7,038	-	-	8,769
MORGAN STANLEY	1,611	15,012	-	-	21,849
UNREALIZED GAINS (LOSSES)	5,790	13,227	-	-	11,573
TOTAL INTEREST INCOME	8,297	47,522	21,000	(26,522)	44,005
MAINTENANCE FUND ASSESSMENT	10,415	838,061	850,000	11,939	852,009
CITY OF PUEBLO MAINT. FUND IGA	-	77,500	77,500	-	-
MAINTENANCE FUND REFUND	-	-	-	-	-
LOAN PROCEEDS	-	-	-	-	2,500,000
OTHER INCOME	-	-	-	-	-
TOTAL REVENUES	\$ 18,712	\$ 963,083	\$ 948,500	\$ (14,583)	\$ 3,396,014
EXPENDITURES					
80 LEGAL FEES	\$ 500	\$ 4,725	\$ 6,000	\$ 1,275	\$ 9,107
81 DIRECTORS FEES	1,800	16,200	21,600	5,400	12,000
82 FICA TAXES	-	-	-	-	918
83 ENGINEER/ADMINISTRATIVE	1,620	10,650	15,000	4,350	10,704
90 AUDIT & BOOKKEEPING	375	3,415	16,200	12,785	16,667
92 INSURANCE/BONDS	-	411	3,500	3,089	6,161
96 OFFICE EXPENSE	-	636	1,000	364	3,188
97 OFFICE RENT	-	1,050	1,050	-	915
100 PROFESSIONAL FEES	-	-	12,500	12,500	2,614
APPRAISAL	-	-	-	-	-
103 TRAVEL	86	429	2,400	1,971	182
105 REPAIRS & MAINTENANCE	357	12,848	8,500	(4,348)	6,933
MAINTENANCE FUND ASSESSMENT	-	-	-	-	-
PROGRAMMING & MAINTENANCE	-	1,600	1,000	(600)	-
CONTRACT ADMIN & OVERSIGHT	-	39,674	35,000	(4,674)	-
ARKANSAS RIVER LEVEE REPAIRS	-	-	-	-	-
LEVEE CERTIFICATION-PRELIM	-	-	-	-	-
ARKANSAS RIVER DESIGN/CONSTRUCTIO	-	2,497,273	2,971,740	-	1,523,581
WILDHORSE/DRY CREEK LEVEE-PRELIM	-	-	-	-	-
WILDHORSE/DRY CREEK LEVEE DESIGN	-	-	100,000	100,000	-
WILDHORSE/DRY CREEK LEVEE CONSTRI	-	-	-	-	-
108 CONTINGENCIES	-	-	20,000	20,000	-
109 EMERGENCY REPAIR	-	-	15,000	15,000	-
110 CAPITAL IMPROVEMENTS	25,095	49,887	5,000	(44,887)	(49,887)
PLANNING & DEVELOPMENT	-	-	5,000	5,000	-
112 HARP - O & M / HARP - IGA CNTRB	-	60,000	60,000	-	-
113 LOAN PRINCIPAL AND INTEREST	-	-	500,000	500,000	60,000
TOTAL EXPENDITURES	29,833	2,698,798	3,800,490	1,101,692	1,603,083
EXCESS (DEFICIENCY) OF REVENUES	\$ (11,121)	\$ (1,735,715)	\$ (2,851,990)	\$ (1,116,275)	\$ 1,792,931
OVER EXPENDITURES					

SEE ACCOUNTANTS' COMPILATION REPORT

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2014	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 9/30/2015	INTEREST RECEIVED 9/30/2015
CASH ACCOUNTS										
VECTRA BANK	Money Market Account				11,912.81	4.46	-	-	11,917.27	4.46
STIFEL NICOLAUS	Money Market Account				11,856.84	20,823.74	-	-	32,680.58	1.30
MORGAN STANLEY	Cash Sweep Account				154,004.10	170,733.48	-	175,000.00	149,737.58	11.00
TOTAL CASH ACCOUNTS WITH BROKERS					177,773.75	191,561.68	-	175,000.00	194,335.43	16.76
INVESTMENTS										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,114.53	28.26	-	-	25,142.79	28.26
TOTAL COLOTRUST					25,114.53	28.26	-	-	25,142.79	28.26
STIFEL NICOLAUS	FEDL HOME LN MTG CORP #170217	3/1/2017	8.000%	1,120,000.00	475.96	-	(11.97)	175.57	288.42	23.76
	GNMA POOL #676875	3/15/2023	6.500%	235,000.00	74,609.48	-	(679.21)	5,708.44	68,221.83	3,292.29
	GNMA POOL #003851	5/20/2036	5.500%	165,000.00	18,694.98	-	669.42	3,988.83	15,375.57	638.70
	GNMA POOL #MA0318	8/20/2042	3.500%	95,000.00	75,735.29	-	(1,632.21)	9,597.11	64,505.97	1,802.96
	GNMA POOL #AA5748	10/15/1942	4.000%	90,000.00	92,701.00	-	(493.92)	1,352.24	90,854.84	2,288.32
TOTAL STIFEL NICOLAUS INVESTMENT					262,216.71	-	(2,147.89)	20,822.19	239,246.63	8,046.03
MORGAN STANLEY										
	TENN VALLEY AUTH	5/1/2016		133,000.00	131,517.05	-	1,061.34	-	132,578.39	-
	FNMA MED TERM NOTE	9/23/2017		100,000.00	96,480.00	-	1,833.00	-	98,313.00	-
	FNMA POOL MA0629	1/1/2021	3.500%	100,000.00	33,475.06	-	(444.01)	7,130.77	25,900.28	745.44
	FNMA	12/27/2027	2.500%	220,000.00	200,794.00	-	9,647.00	-	210,441.00	4,124.97
	FNR 2006-107 PD	6/25/2035	5.000%	78,000.00	19,933.79	-	(245.32)	12,471.42	7,217.05	530.82
	GNMA REMIC TRUST 2010-84 NL	12/20/2036	3.000%	100,000.00	26,453.28	-	(437.87)	13,809.88	12,205.53	450.95
	GNR 2008-7 PN	1/20/2037	4.250%	60,000.00	6,174.67	-	(63.42)	1,649.45	4,461.80	164.26
	FHR 3393 BY	11/15/2037	5.500%	94,000.00	38,610.48	-	(435.69)	6,774.29	31,400.50	1,322.48
	FHLMC REMIC SERIES 4047 PA	12/15/2037	2.000%	230,000.00	170,004.40	-	2,168.43	28,162.57	144,010.26	2,394.21
	FNR 2008-74 B	9/25/2038	5.500%	53,000.00	10,568.31	-	242.72	760.16	10,050.87	380.94
	FNMA REMIC TRUST 2010-141 AL	12/25/2040	4.000%	90,000.00	95,913.00	-	1,592.10	-	97,505.10	2,700.00
	FHLMC 4321 YB	7/15/2043	3.500%	200,000.00	175,036.67	-	456.49	83,330.01	92,163.15	3,818.69
TOTAL MORGAN STANLEY INVESTMENT					1,004,960.71	-	15,374.77	154,088.55	866,246.93	16,632.76
TOTAL INVESTMENTS					1,292,291.95	28.26	13,226.88	174,910.74	1,130,636.35	24,707.05
TOTAL ALL ACCOUNTS					1,470,065.70	191,589.94	13,226.88	349,910.74	1,324,971.78	24,723.81

PUEBLO CONSERVANCY DISTRICT

SEPTEMBER 2015 - OCTOBER 2015

RECEIPTS

VENDOR	ITEM	AMOUNT
Stifel Nicolaus	Interest Payment	\$ 876.75
Pueblo County Treasurer	Maintenance Fund Assessment	\$ 4,966.58
		\$ 5,843.33

DEBITS

VENDOR	ITEM	AMOUNT	CHECK	CODE
Black Hills Energy	Electrical Billing	Pre-paid		105
MBDG, PC	Bookkeeping	\$ 375.00	676	90
	Audit Preparation Assistance	\$ 6,000.00	"	
	Consultations, Meetings, Supplemental Documents	\$ 2,025.00	"	
Don Banner - B&B, PC	Attorney Fees	\$ 500.00	662	80
	E-Filing Fee			96
Kidd Engineering	Engineer/Admin Fees	\$ 1,200.00	675	83
	Recreation Committee Meetings, Planning and Land Acquisition Meetings, Meeting with Swerdfeger	\$ 1,330.00	"	110
Director Alt	Fees	\$ 200.00	661	81
Director Bernard	Fees	\$ 200.00	663	81
Director Cordova	Fees	\$ 200.00	669	81
Director Koehler	Fees	\$ 200.00	665	81
Director Maroney	Fees	\$ 200.00	678	81
Director O'Hara	Fees	\$ 200.00	673	81
Director Phillips	Fees	\$ 200.00	667	81
Director Serna	Fees	\$ 200.00	674	81
Director Willumstad	Fees	\$ 200.00	672	81
NorthStar Engineering	ARKANSAS RIVER LEVEE:			
	Task C - Geotechnical Investigations	\$ 14,398.50	677	110
	Task E - Construction Support Services, Geotechnical Testing, Staking, As-Builts	\$ 1,410.00	"	110
	Supplemental - Black Hills Diversion	\$ 830.00	"	110
	WILDHORSE CREEK LEVEE:		"	
	Task A - "Original As-Constructed" / Boundary Surveys		"	110
	Task C - Design, Permitting, and Regulatory Approvals	\$ 20,045.00	"	110
	Reimbursable copies, etc.	\$ 98.00	"	110
	Meetings, Consultations, State Assessed & Non-Profit Valuations, Art & Recreation	\$ 3,155.00	"	110
	Reimbursable copies, fees, etc.	\$ 116.00	"	110
Garren, Ross & DeNardo, Inc.	2015 Audit Report	\$ 5,436.88	679	
		\$ 58,719.38		