

GENERAL PURPOSE FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT
THE PUEBLO CONSERVANCY DISTRICT
DECEMBER 31, 1996

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

740 Thatcher Bldg
Pueblo, CO 81003
Phone (719) 543-0516
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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Pueblo Conservancy District
Pueblo, Colorado

We have audited the accompanying general purpose financial statements of The Pueblo Conservancy District as of and for the year ended December 31, 1996. These general purpose financial statements are the responsibility of The Pueblo Conservancy District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of The Pueblo Conservancy District as of December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

McPherson, Breyfogle, Lichlyter & Daveline PC

August 7, 1997

THE PUEBLO CONSERVANCY DISTRICT
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1996

	Governmental Fund Type General Fund	Account Group General Fixed Assets	Total (Memorandum Only)	
			1996	1995
ASSETS				
Cash	\$ 173,294	\$ -	\$ 173,294	\$ 71,916
Colorado Liquid Asset Trust	205,330	-	205,330	205,330
Certificates of deposit	100,000	-	100,000	99,000
Debt securities	909,744	-	909,744	1,084,345
Accrued interest receivable	13,490	-	13,490	22,180
Accounts receivable	3,327	-	3,327	-
Improvements	-	5,276,983	5,276,983	5,136,423
Office furniture and equipment	-	2,295	2,295	2,295
Maintenance equipment	-	1,100	1,100	1,100
TOTAL ASSETS	<u>\$1,405,185</u>	<u>\$5,280,378</u>	<u>\$6,685,563</u>	<u>\$6,622,589</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities -				
Accounts payable	\$ 49,429	\$ -	\$ 49,429	\$ 8,482
Payroll taxes payable	110	-	110	110
Total Liabilities	<u>\$ 49,539</u>	<u>\$ -</u>	<u>\$ 49,539</u>	<u>\$ 8,592</u>
Fund Equity -				
Investment in general fixed assets	\$ -	\$5,280,378	\$5,280,378	\$5,139,818
Fund balance				
Reserved for emergencies	6,000	-	6,000	6,000
Unreserved -				
Designated for subsequent year's expenditure	191,300	-	191,300	206,400
Undesignated	1,158,346	-	1,158,346	1,261,779
Total Fund Equity	<u>\$1,355,646</u>	<u>\$5,280,378</u>	<u>\$6,636,024</u>	<u>\$6,613,997</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$1,405,185</u>	<u>\$5,280,378</u>	<u>\$6,685,563</u>	<u>\$6,622,589</u>

The accompanying notes are an integral part of this statement.

THE PUEBLO CONSERVANCY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GENERAL FUND
YEAR ENDED DECEMBER 31, 1996

REVENUES	
Interest	\$ <u>81,351</u>
EXPENDITURES	
Public safety -	
Directors' fees	\$ 2,160
FICA taxes	303
Travel	453
Legal fees	2,400
Engineering and administration	4,800
Audit fee	1,800
Insurance and bonds	(94)
Office expense	280
Office rent	1,200
HARP subdivision and construction	139,814
Repairs and maintenance	36,768
Planning and development	<u>10,000</u>
TOTAL EXPENDITURES	\$ <u>199,884</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (118,533)
FUND BALANCE, JANUARY 1	<u>1,474,179</u>
FUND BALANCE, DECEMBER 31	<u>\$1,355,646</u>

The accompanying notes are an integral part of this statement.

THE PUEBLO CONSERVANCY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
ACTUAL AND BUDGET (NON-GAAP BASIS) - GENERAL FUND
YEAR ENDED DECEMBER 31, 1996

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 85,588	\$ 100,000	\$(14,412)
Lease income	-	1,050	(1,050)
TOTAL REVENUES	<u>\$ 85,588</u>	<u>\$ 101,050</u>	<u>\$(15,462)</u>
EXPENDITURES			
Public safety -			
Directors' fees	\$ 2,160	\$ 4,000	\$ 1,840
FICA taxes	303	500	197
Travel	453	2,500	2,047
Legal fees	2,400	2,400	-
Engineering and administration	4,800	4,800	-
Audit fee	1,800	1,800	-
Insurance and bonds	(94)	2,000	2,094
Office expense	280	650	370
Office rent	1,200	1,200	-
Professional fees	4,500	11,600	7,100
Repairs and maintenance	44,011	75,000	30,989
Capital projects	90,451	155,500	65,049
Contingencies	-	500	500
Emergency flood repair	-	20,000	20,000
Planning and development	10,000	25,000	15,000
TOTAL EXPENDITURES	<u>\$ 162,264</u>	<u>\$ 307,450</u>	<u>\$ 145,186</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$(76,676)</u>	<u>\$(206,400)</u>	<u>\$ 129,724</u>
FUND BALANCE, JANUARY 1	<u>1,460,481</u>	<u>206,400</u>	<u>1,254,081</u>
FUND BALANCE, DECEMBER 31	<u>\$1,383,805</u>	<u>\$ -</u>	<u>\$1,383,805</u>

The accompanying notes are an integral part of this statement.

THE PUEBLO CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Pueblo Conservancy District (the District) was established to provide flood control services within its boundaries. Since the completion of improvements along the Arkansas River, the District continues to provide repair and maintenance functions.

The legal powers of the District have been expanded by an act of the Colorado legislature. The act allows the District to participate in activities related to public parks and recreation. The District coordinates its repair and maintenance responsibilities with other local governmental agencies which have developed a river trails system.

The accounting policies of the District conform to generally accepted accounting principles applicable to governmental entities. Following is a summary of the more significant accounting policies.

1. REPORTING ENTITY

For financial reporting purposes, the District includes all other entities which are financially accountable to, or fiscally dependent on, the District. However, no component unit is included in the District's reporting entity since none meets the criteria for inclusion.

2. FUND ACCOUNTING

The District uses funds and account groups to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement purposes, the following fund category and account group is used:

Governmental Fund Type

General Fund - The General fund accounts for normal, recurring operations of the District. Interest income is the principal source of revenue, while repairs and maintenance, along with capital outlay, represent primary expenditures.

Account Group -

General Fixed Assets - The account group is used to establish accounting control and accountability for general fixed assets.

THE PUEBLO CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

3. BASIS OF ACCOUNTING

The accounting and reporting treatment applied to a fund is determined by its measurement focus. The governmental fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities generally are included in the balance sheet. Operating statements of the fund presents increases (revenues) and decreases (expenditures) in net current assets.

The modified accrual basis of accounting is used by the governmental fund type. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to pay current liabilities. The major source of revenue which is susceptible to accrual is interest. Expenditures are recorded when the related fund liability is incurred.

4. BUDGETS AND BUDGETARY ACCOUNTING

The District is subject to Colorado budgetary law as applicable to special districts. As such, the District adopts its annual budget prior to December 31 each year. The budget is available for inspection during reasonable business hours at the District's office.

Formal budgetary integration is employed as a management control device in the general fund. The budget for the year ended December 31, 1996 was adopted using the cash basis of accounting.

The District does not use encumbrance accounting and unused appropriations for all budgeted funds lapse at the end of the year.

The budget amounts shown in the general purpose financial statements are the final authorized amounts as revised during the year ended December 31, 1996.

5. INVESTMENTS

Investments are stated at cost or amortized cost.

6. FIXED ASSETS

General fixed assets are not capitalized in the fund used to acquire them. Instead, capital acquisition is reflected as expenditures in the governmental fund and the related assets are reported in the general fixed asset account group. All purchased fixed assets are valued at cost and no depreciation has been provided.

THE PUEBLO CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

7. FUND EQUITY

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

8. MEMORANDUM ONLY - TOTAL COLUMN

The total column on the combined statement is captioned "memorandum only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the summarization of this data.

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments are summarized as follows:

Demand deposits	\$ 173,294
Money market funds	205,330
Certificate of deposit	<u>100,000</u>
	<u>\$ 478,624</u>
U.S. Treasury notes, including unamortized premium of \$9,068	<u>\$ 709,068</u>
U.S. agency mortgage-backed securities	<u>200,676</u>
	<u>\$ 909,744</u>

DEPOSITS

At December 31, 1996, the carrying amount of the District's deposits, including the certificate of deposit, was \$273,294, and the bank balance was \$291,412. The entire amount of the bank balance was covered by federal depository insurance. The money market funds are not subject to credit risk categorization.

INVESTMENTS

The District is subject to state law regarding the types of investments that public entities may acquire and hold. These include U.S. government and agency securities, certain bonds of political subdivisions, bankers acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds, and guaranteed insurance contracts. The statute also includes a provision limiting any investment to a five year maturity unless the governing body authorizes a longer period.

THE PUEBLO CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1996

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS (Cont'd.)

The District's investments are categorized to give an indication of the level of credit risk assumed by the District. These credit risk categories are (1) insured or registered, or securities held by the District or its agent in the District's name; (2) uninsured and unregistered, with securities held by the counterparty's agent in the District's name; (3) uninsured and unregistered with securities held by the counterparty, or held by the counterparty's agent but not in the District's name.

	<u>Category</u>			<u>Carrying</u>	<u>Estimated</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Value</u>	<u>Market</u>
U.S. Treasury notes	\$ -	\$ -	\$ 709,068	\$ 709,068	\$ 710,681
U.S. agency mortgage-backed securities	-	-	200,676	200,676	205,793
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 909,744</u>	<u>\$ 909,744</u>	<u>\$ 916,474</u>

NOTE C - CHANGES IN GENERAL FIXED ASSETS

Changes in general fixed assets are as follows:

	<u>Balance</u> <u>January 1,</u> <u>1996</u>	<u>Additions</u>	<u>Balance</u> <u>December 31,</u> <u>1996</u>
Improvements	\$5,136,423	\$ 140,560	\$5,276,983
Office furniture and equipment	2,295	-	2,295
Maintenance equipment	1,100	-	1,100
	<u>\$5,139,818</u>	<u>\$ 140,560</u>	<u>\$5,280,378</u>

NOTE D - FUND EQUITY

Certain portions of fund equity have been reserved that represent funds not available for appropriation. In addition, the District has designated portions of their unreserved fund equity for subsequent years' expenditures which can be appropriated in future years. The following is a description of these reserves and designations at December 31, 1996:

THE PUEBLO CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1996

NOTE D - FUND EQUITY (Cont'd.)

RESERVATIONS OF FUND BALANCE

Reserve for emergencies

This represents 3% of the District's approximate 1996 fiscal year spending as that term is defined in the Colorado Constitution. Under these provisions of the constitution, these reserves can be used for declared emergencies only .

UNRESERVED FUND BALANCE - DESIGNATION

Designated for subsequent years' expenditures

This amount represents the portion of fund balance that was used to balance the relationship between revenues and expenditures in developing the 1997 budget.

NOTE E - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, property and casualty, and errors and omissions. These risks of loss are covered by commercial insurance coverage.

NOTE F- BUDGET REPORTING RECONCILIATION

A reconciliation of the resultant basis and timing of revenues and expenditures is presented below:

	<u>Revenues</u>	<u>Expenditures</u>
GAAP basis	\$ 81,351	\$ 199,884
Adjustments for cash basis -		
Accrued interest and bond premium		
amortization	4,237	-
Accounts payable	<u>-</u>	<u>(37,620)</u>
Budget Basis	\$ <u>85,588</u>	\$ <u>162,264</u>

NOTE 6 - CONTINGENCIES

Colorado voters passed an amendment to the state constitution in November 1992 which contains several limitations, including revenue raising, spending abilities and other specific requirements affecting state and local governments. The amendment is complex and subject to judicial interpretation; however, the District believes it is in compliance with the requirements of the amendment. The District has made certain interpretations of the amendment's language in order to determine its compliance.

File

July 25, 1997

Ms. Linda Greenly, CPA
Director of Local Government Audits
Office of State Auditor
State of Colorado
Legislative Services Building
200 East 14th Avenue
Denver, CO 80203-2211

Re: Pueblo Conservancy District 1996 Audit

Dear Ms. Greenly:

The purpose of this letter is to request a sixty (60) day extension of the deadline to file the 1996 audit report for the Pueblo Conservancy District. The firm of McPherson, Breyfogle, Lichlyter & Daveline, PC has completed the audit report; however, due to vacations and scheduling conflicts, we intend to present the audit report to the Directors in August and anticipate approval and transmittal soon thereafter.

We appreciate your consideration and should you have any questions or comments, please contact me at (719) 544-6823.

Sincerely,

Raymond Koester
District Engineer

jm

xc: Don Banner

July 25, 1997

McPherson, Breyfogle, Lichlyter & Daveline, PC
P. O. Box 918
Pueblo, CO 81002

In connection with your audit of the financial statements of the Pueblo Conservancy District as of and for the year ending December 31, 1996, for the purpose of expressing an opinion as to whether the financial statements present fairly the assets, liabilities and fund equity and results of operations in conformity with generally accepted accounting principles applicable to governmental units, we confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. We are responsible for the fair presentation in the financial statements of assets, liabilities and fund balances and results of operations in conformity with generally accepted accounting principles.
2. We have made available to you all -
 - a. Financial records and related data.
 - b. Minutes of the meetings of directors.
3. There have been no -
 - a. Irregularities involving management who has a significant role in the system of internal accounting control.
 - b. Irregularities that could have a material effect on the financial statements.
 - c. Communications concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.
4. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
5. There are no -
 - a. Violations or possible violations of laws or regulations whose effect should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by Statement of Financial Accounting Standards No. 5.

THE PUEBLO CONSERVANCY DISTRICT

BOARD OF DIRECTORS
P. KELLY
K. FARLEY
G. SANDSTROM

111 EAST FIFTH STREET
544-6823
PUEBLO, COLORADO

MAILING ADDRESS:
P. O. BOX 234
PUEBLO, COLO. 81002

6. There are no unasserted claims or assessments that are probable of assertion and must be disclosed by Statement of Financial Accounting Standards No. 5.
7. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
8. Pueblo Conservancy District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged.
9. No events have occurred subsequent to the balance sheet date that would require adjustments to, or disclosure in, the financial statements.

PUEBLO CONSERVANCY DISTRICT

Signed: 

Title President

Date 8/19/97

jm

Ray Koester-

Please Copy 2 documents
onto Red Letterhead.

Sign & mail extension to
State Auditor-

Obtain Board members
Signature on letter to us.

Thanks

Be
7/25



740 Thatcher Bldg
Pueblo, CO 81003
Phone (719) 543-0516
Fax (719) 544-2849

File

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

July 25, 1997

Pueblo Conservancy District
111 East 5th St.
Pueblo, CO 81003

We are pleased to confirm our understanding of the services we are to provide for Pueblo Conservancy District for the year ended December 31, 1996. We will audit the general purpose financial statements of Pueblo Conservancy District as of and for the year ended December 31, 1996.

Our audit will be conducted in accordance with generally accepted auditing standards and will include tests of the accounting records of Pueblo Conservancy District and other procedures we consider necessary to enable us to express an unqualified opinion that the general purpose financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. If our opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit, we will not issue a report as a result of this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of certain assets and liabilities by correspondence with selected individuals, creditors and financial institutions. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us. However, we will inform you of any material errors and any fraud that come to our attention. We will also inform you of any other illegal acts that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

We understand that you will provide us with the basic information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you. This responsibility includes the establishment and maintenance of adequate records and related internal control structure policies and procedures, the selection and application of accounting principles, and the safeguarding of assets. Management is also responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Our audit is not specifically designed and cannot be relied on to disclose reportable conditions, that is, significant deficiencies in the design or operation of the internal control structure. However, during the audit, if we become aware of such reportable conditions or ways that we believe management practices can be improved, we will communicate them to you in a separate letter.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$1,800.00.

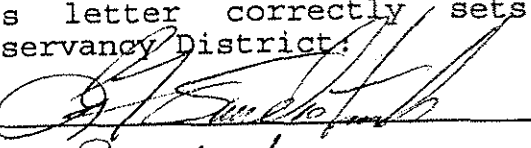
We appreciate the opportunity to be of service to Pueblo Conservancy District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,


Larry A. Daveline, C.P.A.

RESPONSE:

This letter correctly sets forth the understanding of Pueblo Conservancy District.

By: 

Title: President

Date: 8/19/97

We understand that you will provide us with the basic information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you. This responsibility includes the establishment and maintenance of adequate records and related internal control structure policies and procedures, the selection and application of accounting principles, and the safeguarding of assets. Management is also responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

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Sincerely,



Larry A. Daveline, C.P.A.

RESPONSE:

This letter correctly sets forth the understanding of Pueblo Conservancy District:

By: _____

Title: _____

Date: _____



740 Thatcher Bldg
Pueblo, CO 81003
Phone (719) 543-0516
Fax (719) 544-2849

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

July 28, 1997

I am happy to announce that I have accepted a position, as Finance and Tax Manager, with Scott Capital Corporation in Lakewood, CO. My new position is effective immediately and I am already in Lakewood most of the time. I will be available through the end of July to assist in a smooth transition of my clients to other qualified accountants at McPherson, Breyfogle, Lichlyter and Daveline, P.C. I hope that you will wish me the best and I know that the staff assigned to the financial and tax services provided to you will continue to provide you with the service and consideration you deserve.

I realize that many of you are not acquainted with all of the staff at MBLD, but you should be assured that any staff assigned to your account will be knowledgeable and competent in meeting all of your needs. Mr. Gerald N. McPherson is the managing shareholder and is well recognized in the area as an expert in income tax and estate planning and will be in charge and responsible for coordinating staff to meet the needs of my clients in those areas. Messrs. Larry A. Daveline and Roy Breyfogle are the shareholders in charge of my not-for-profit and governmental clients. The shareholders will continue to oversee the work of the accountants assigned in those areas and are available to answer questions you may have.

You can expect to hear from the firm in the near future on the reassignment of staff to meet your needs and I encourage you to contact them to discuss anything which may be of concern to you. I have tried to leave a complete record of your particular situations with the shareholders and am confident that they will continue to provide the services you desire.

I also will have a continuing professional relationship with the firm as an employee of Scott Capital Corporation and will be in contact as needed to provide for a smooth transition of your account. It has been a great pleasure to work with each of you and with the firm. I wish you all the best in the future and plan to visit family and friends in Pueblo regularly and know I will see many of you on those visits.

Very truly yours,

A handwritten signature in cursive script, reading 'Bill Caldwell, Jr.'. The signature is written in black ink and is positioned above the printed name.

Bill Caldwell, Jr., CPA

THE PUEBLO CONSERVANCY DISTRICT

BOARD OF DIRECTORS
P. KELLY
K. FARLEY
G. SANDSTROM

111 EAST FIFTH STREET
544-6823
PUEBLO, COLORADO

MAILING ADDRESS:
P. O. BOX 234
PUEBLO, COLO. 81002

July 25, 1997

Ms. Linda Greenly, CPA
Director of Local Government Audits
Office of State Auditor
State of Colorado
Legislative Services Building
200 East 14th Avenue
Denver, CO 80203-2211

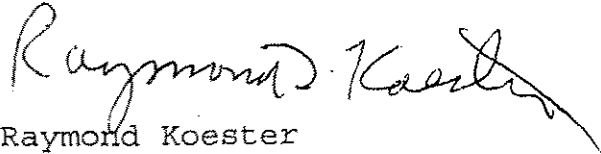
Re: Pueblo Conservancy District 1996 Audit

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We appreciate your consideration and should you have any questions or comments, please contact me at (719) 544-6823.

Sincerely,


Raymond Koester
District Engineer

EXTENSION GRANTED NOT TO
EXCEED 45 DAYS (SEPTEMBER 30th, 1997)
THANK YOU FOR THE NOTIFICATION.

jm

xc: Don Banner

RECEIVED

JUL 29 1997

STATE AUDITORS OFFICE
DENVER, COLORADO