

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR JUNE MEETING OF THE
PUEBLO CONSERVANCY DISTRICT ON JUNE 9, 1999

DIRECTORS PRESENT: Sandstrom and Kelly with Farley excused

ALSO PRESENT : Koester and Banner.

The meeting was called to order at 7:35 A.M. on the above date, and the minutes of the May 6, 1999 meeting were approved as prepared.

The Treasurers reports for May was approved as prepared. The following bills were approved for payment:

June	1732	G. Sandstrom	Directors Fee	55.41
	1733	K. Farley	Directors Fee	55.41
	1734	P. Kelly	Directors Fee	55.41
	1735	Banner	Legal Fee	300.00
	1736	Engineer Koester	Eng/Admin Fees	400.00
			Office Rent	100.00
	1737	MBKD, pc	Bkkpg Serv	175.00
	1738	Westplains Ener.	Power at Runyan	90.00
	1739	NorthStar Eng	Eng & Sur Fees	3,595.00
	1740	Postmaster	Box Rent & Stamps	147.00

It was noted that Koester, after getting verbal quotations on Treasury Investments and Certificate of Deposits, found that Minnequa Bank offered the best replacement for the \$150,000 CD that matured on May 18, 1999, (Gus Sandstrom and Kathy Farley had signed the surrender certificate earlier) and the certificate was rolled over into a new two year CD at 5.000 percent.

The Board then heard a report from Joanne Cook, representative from McPherson's office on the preparation on the monthly report for a better understanding of the format by the Directors and staff. She also answered questions concerning the "unrealized gains" (income) and that at the end of the year those numbers would be zero. MBLD, p.c. then asked for and received acceptance of letter of understanding of the terms and objectives of their engagement for 1999, and chairperson Sandstrom acknowledged that approval by signing on a copy of the letter. (copy attached)

Gus S. presented a check for \$3600 from the "Tree Restitution Group" and will be credited to account 105 Repairs & Maintenance. At a time when the city and/or trail groups discover plantings and appropriate restoration work, these funds will be made available.

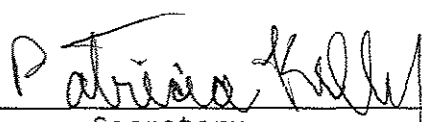
Banner explained the insurance coverage provided by SCA's Crum & Forster policy of liability in the new commitment, and indicated the provisions are satisfactory and the premium amount was appropriate and similar to last years premium. The payment for the premium (drawn last month) is being forwarded to SCA.

The Board then heard from Koester regarding the Cross-over Road and Trail re-routing at Runyan, indicating the County will participate to the extent of \$28,000, with an out of cycle appropriation of 1999 funds to replace the 1998 funds not used on this project. The County will probably present their funds at the completion of the work by the City or this District along with funds to be obtained from the Division of Wildlife as the Grant is completed. The Reports on the Union Pacific Lease/trade and the developable parcel presentation, along with the COPAA lease/purchase is being tabled until Union Pacific responds with their trade proposal. x

There being no further business, the meeting was adjourned at 8:00 a.m. with the regular June meeting scheduled for Tuesday July 6, 1999 at 7:30 a.m. at the District Office, 111 East 5th Street.

APPROVED:


Kathleen M. Farley


Secretary



740 Thatcher Building
P. O. BOX 918
Pueblo, CO 81002-0918
Phone (719) 543-0516
Fax (719) 544-2849

Min

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
The Pueblo Conservancy District
Pueblo, Colorado

We have compiled the accompanying balance sheet - general fund only - of The Pueblo Conservancy District as of June 30, 1999 and December 31, 1998, and the related comparative statement of revenue and expenditures - actual and budget - general fund for the one month and six months ended June 30, 1999, and the twelve months ended December 31, 1998, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements mentioned above, 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.

The accompanying statements were prepared to present the activities of the general fund only and are not intended to be a complete presentation of the District's assets, liabilities, revenue, and expenditures.

This report is intended solely for the information and use of the board of directors and management of The Pueblo Conservancy District and should not be used for any other purpose.

McPherson, Breyfogle, Lichlyter & Daveline PC

June 29, 1999

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
JUNE 30, 1999 AND DECEMBER 31, 1998

	<u>6/30/99</u>	<u>12/31/98</u>
ASSETS		
MINNEQUA CHECKING	\$ 27,408	\$ 4,776
MINNEQUA MONEY MARKET	3,187	3,161
BROKERAGE MONEY MARKET ACCOUNTS	71,932	63,412
MINNEQUA CERTIFICATE OF DEPOSITS	330,000	330,000
FNB COLORADO CERTIFICATE OF DEPOSIT	106,130	100,000
COLOTRUST INVESTMENT	187,000	187,000
DAIN BOSWORTH INVESTMENT	205,437	208,437
EVEREN SECURITY INVESTMENT	204,312	206,187
PIPER JAFFRAY INVESTMENT	110,955	123,318
ACCRUED INTEREST	18,443	18,443
ACCOUNTS RECEIVABLE	<u>-</u>	<u>19,000</u>
 TOTAL ASSETS	 <u>\$ 1,264,804</u>	 <u>\$ 1,263,734</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 500
PAYROLL TAXES PAYABLE	<u>42</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>42</u>	 <u>500</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT		
YEAR'S EXPENDITURES	93,540	93,540
UNDESIGNATED	<u>1,165,222</u>	<u>1,163,694</u>
 TOTAL FUND EQUITY	 <u>1,264,762</u>	 <u>1,263,234</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,264,804</u>	 <u>\$ 1,263,734</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURE
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND SIX MONTHS ENDED JUNE 30, 1999
AND THE TWELVE MONTHS ENDED DECEMBER 31, 1998

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	1999 BUDGET	UNUSED BUDGET	1998 ACTUAL
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ -	\$ 16,164	\$ -	\$ -	\$ 24,657
COLOTRUST	737	4,446	-	-	7,193
MONEY MARKET ACCOUNTS	6	739	-	-	2,127
DAIN RAUCHER	-	3,125	-	-	26,058
EVEREN	3,875	7,750	-	-	22,678
SMITH BARNEY	-	-	-	-	1,708
PIPER JAFFRAY	683	4,429	-	-	11,138
UNREALIZED GAINS (LOSSES)	-	(6,326)	-	-	-
TOTAL INTEREST INCOME	5,301	30,327	80,000	49,673	95,559
LEASE PAYMENTS	-	-	1,250	1,250	200
OTHER INCOME	3,600	3,600	-	(3,600)	600
TOTAL REVENUES	\$ 8,901	\$ 33,927	\$ 81,250	\$ 47,323	\$ 96,359
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 1,800	\$ 3,600	\$ 1,800	3,600
81 DIRECTORS FEES	180	1,080	3,000	1,920	2,160
82 FICA TAXES	-	41	240	199	165
83 ENGINEER/ADMINISTRATIVE	400	2,400	4,800	2,400	4,800
90 AUDIT & BOOKKEEPING	175	875	3,000	2,125	1,800
92 INSURANCE/BONDS	-	500	500	-	2,360
96 OFFICE EXPENSE	147	147	650	503	260
97 OFFICE RENT	100	600	1,200	600	1,200
100 PROFESSIONAL FEES	-	2,105	5,000	2,895	400
103 TRAVEL	-	83	500	417	357
105 REPAIRS & MAINTENANCE	90	7,474	20,000	12,526	50,584
105A CURRENT YEAR GRANT	-	-	25,000	25,000	25,000
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	3,595	15,231	25,000	9,769	5,656
111 PLANNING & DEVELOPMENT	-	63	25,000	24,937	23,477
112 HARP - O & M	-	-	36,800	36,800	29,076
TOTAL EXPENDITURES	4,987	32,399	174,790	142,391	150,895
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 3,914	\$ 1,528	\$ (93,540)	\$ (95,068)	\$ (54,536)

SEE ACCOUNTANTS' COMPILATION REPORT

ACCOUNTS PAYABLE - -

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Check	VENDOR	PURPOSE	AMOUNT
July	Accounts Payable to Approve	7-06-99	
1741	G. Sandstrom	Directors Fee (July) (81)	\$ 55.41
1742	K. Farley	Directors Fee (July) (81)	55.41
1743	P. Kelly	Directors Fee (July) (81)	55.41
1744	Banner	Legal Fee (July) (80)	300.00
1745	Engineer Koester	Eng/Admin (July) (83)	400.00
		Rental of Stor & Mtg (97)	100.00
		Two Locks (Beggs) (96)	50.00
1746	MBKD, PC	Bookeepg Service (June) (90)	175.00
1747	Westplains Energy	Power at Runyon (105)	90.00
1748	U.S. Treasury-	2nd Qtr. Form 941	82.62
		SS Withheld 41.31 (81)	
		Employers Match 41.31 (82)	

x
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TOTAL \$ 1,363.85

pcd9.bud

PUEBLO CONSERVANCY DISTRICT -<
JUNE - 1999 -

BOARD OF DIRECTORS

Kathleen Farley Treasurer (to 1/1/01)
Patricia Kelly Secretary
Gustave Sandstrom President

COURT
APPT. TILL -
06/05/02
03/19/03
04/11/02

LEASES -

	RATE -	BUE DATE -
Stewart	\$50.00 (1/25/94)	01/25 yrly
D&RGW	\$1,000.00 (5/31/94)	05/31 yrly ??
Patterson	\$200.00 (11/6/98)	11/06 yrly

84-6002506 - CERTIFICATES OF DEPOSIT - GPD

Purchase Date	Amount	Term	Rate %	Mo. Intr.	Yearly Yield	BANK & CD Acct. No.
07/07/97	\$100,000	07/07/99	6.41	Accum.	6.570	Minnequa B. 113 944
05/18/99	\$150,000	05/18/01	5.00	Semi-A	5.00	Minnequa B. 115371
05/21/98	\$ 80,000	05/21/00	5.96	Semi-A	6.09	Minnequa B. 114728
03/05/98	\$100,000	02/05/01	6.13	0 (all @ mat.)	6.13	1st Nat. B. 0100010930
12/16/94	\$100,000	On call	Vari- able	Pay Mo.		COLOTRUST + 79-7080
02/23/95	\$ 87,000	On call (check)	Vari- able	Pay Mo.		COLOTRUST 80-2726-1

TREASURY NOTES -

Amount	Purchase Date	Matures	Rate	Note Series #	Institution
\$100,000	11/30/94	11/30/99	7.750%	09-V	Everenx
\$100,000	01/27/95	01/31/00	7.750%	09-W	Everen<
\$100,000	01/30/97	12/31/01	6.125%		Dain B
\$100,000	01/30/97	01/31/02	6.225%		Dain B

TREASURY INVESTMENTS -

\$ 57,875	01/17/95 (12/31/97)	06/15/08	8.250%	09-T	Piper Jaffray (GMNA)
\$107,253	10/31/96 (12/31/97)	03/01/17	8.000%	09-L	Piper Jaffray (FHLMC)
\$ 11,610	@12/31/97	on call	4 +- %		Piper Jaffray Money Market



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

740 Thatcher Building
P. O. BOX 918
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The Pueblo Conservancy District
Pueblo, Colorado

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McPherson, Breyfogle, Lichlyter & Daveline PC

June 29, 1999

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SEE ACCOUNTANTS' COMPILATION REPORT

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

NOTICE OF JULY MEETING

DATE : July 6, 1999 (Tuesday)
TIME : 7:30 a.m.
PLACE : District Office - 111 East 5th Street

- A G E N D A -

1. Roll Call
2. Approval of Minutes of June meeting
4. Treasurers Report for June 1999:
 - a. Pay bills for July
 - b. Consider \$100,000 investment for 7-7-99
4. Old Business -
 - a. Report on County as a partner to do Crossover Road and Trail extension at Runyon. (Koester)
 - b. Hear report on Union Pacific lease or trade of property with them.
5. New Business-
 - a. Hear outline of developable parcels of surplus PCD owned land. (Koester)
 - b. Direct progress on COPAA lease agreement.
6. Set date for August Board meeting.
7. Adjourn



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

740 Thatcher Building
P. O. BOX 918
Pueblo, CO 81002-0918
Phone (719) 543-0516
Fax (719) 544-2849

hew

May 27, 1999

Board of Directors
Pueblo Conservancy District
P.O. Box 234
Pueblo, CO 81002

This letter is to confirm our understanding of the terms and objectives of our engagement for 1999 and the nature and limitations of the services we will provide.

We will perform the following services:

1. Post the general ledger monthly from coded check copies and deposit receipts;
2. Reconcile business bank accounts monthly;
3. Adjust investment portfolio to market value quarterly;
4. Adjust books to accrual basis at year-end;
5. Prepare monthly compiled financial statements for the general fund only;
6. Prepare annual application for exemption from audit.

You will need to provide us each month with the following:

1. Board approved listing of checks issued, coded checks, and invoices;
2. Bank statements (including savings accounts, certificates of deposit, and investment accounts), with cancelled items;
3. Copy of duplicate deposits and receipts, (including detail of deposited items);

We will compile, from information you provide, the annual and monthly balance sheets – general fund only – and the related comparative statements of revenue and expenditures – actual and budget – general fund, of the Pueblo Conservancy District for the year 1999. We will not audit or review such financial statements. Our report on the annual financial statements of The Pueblo Conservancy District is presently expected to read as follows:

“We have compiled the accompanying balance sheets – general fund only - of the Pueblo Conservancy District as of December 31, 1999 and 1998, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements mentioned above, 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.

The accompanying statements were prepared to present the activities of the general fund only and are not intended to be a complete presentation of the District’s assets, liabilities, revenue, and expenditures.

This report is intended solely for the information and use of the board of directors and management of the Pueblo Conservancy District and should not be used for any other purpose.”

If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

Our engagement cannot be relied upon to detect errors, fraud, or illegal acts that may exist. However, we will inform you of any material errors that come to our attention and any fraud or illegal acts that come to our attention, unless they are clearly inconsequential.

Our fees for these services are as follows:

Compiled financial statements and monthly accounting – Initial set-up charge of \$500, along with a monthly fee of \$175, payable each month upon completion of the prior month’s work;

and

Preparation of annual application for exemption from audit – No additional charge.

Please indicate your acceptance of the above understanding by signing below. A copy is enclosed for your records. If your needs change during the year, the nature of our services can be adjusted appropriately. Likewise, if you have special projects with which we can assist, please let us know.

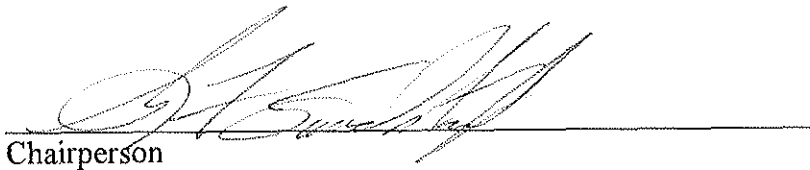
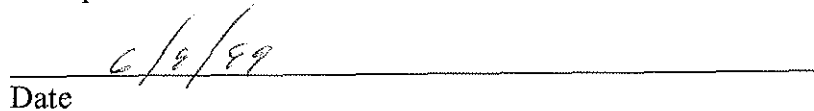
Sincerely,

McPherson, Breyfogle, Lichlyter & Daveline, PC



Larry A. Daveline, CPA
Shareholder

Acknowledged:
Pueblo Conservancy District


Chairperson
Date



740 Thatcher Building
P. O. BOX 918
Pueblo, CO 81002-0918
Phone (719) 543-0516
Fax (719) 544-2849

Min

asked [unclear] to attend a meeting to explain some [unclear]

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
The Pueblo Conservancy District
Pueblo, Colorado

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McPherson, Breyfogle, Lichlyter & Daveline, P.C.

April 30, 1999

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
APRIL 30, 1999 AND DECEMBER 31, 1998

	<u>4/30/99</u>	<u>12/31/98</u>
ASSETS		
MINNEQUA CHECKING	\$ 26,656	\$ 4,776
MINNEQUA MONEY MARKET	3,177	3,161
BROKERAGE MONEY MARKET ACCOUNTS	71,975	63,412
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FNB COLORADO CERTIFICATE OF DEPOSIT	106,130	100,000
COLOTRUST INVESTMENT	187,000	187,000
DAIN BOSWORTH INVESTMENT	205,437	208,437
EVEREN SECURITY INVESTMENT	204,312	206,187
PIPER JAFFRAY INVESTMENT	110,955	123,318
ACCRUED INTEREST	18,443	18,443
ACCOUNTS RECEIVABLE	<u>-</u>	<u>19,000</u>
 TOTAL ASSETS	 <u>\$ 1,264,085</u>	 <u>\$ 1,263,734</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 500
PAYROLL TAXES PAYABLE	<u>14</u>	<u>-</u>
 TOTAL LIABILITIES	 14	 500
RESERVE FOR EMERGENCIES	6,000	6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	93,540	93,540
UNDESIGNATED	<u>1,164,531</u>	<u>1,163,694</u>
 TOTAL FUND EQUITY	 <u>1,264,071</u>	 <u>1,263,234</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,264,085</u>	 <u>\$ 1,263,734</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURE
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND FOUR MONTHS ENDED APRIL 30, 1999
AND THE TWELVE MONTHS ENDED DECEMBER 31, 1998

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	1999 BUDGET	UNUSED BUDGET	1998 ACTUAL
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ 1,581	\$ 11,731	\$ -	\$ -	\$ 24,657
COLOTRUST	746	2,991	-	-	7,193
MONEY MARKET ACCOUNTS	718	728	-	-	2,127
DAIN RAUCHER	-	3,125	-	-	26,058
EVEREN	-	3,875	-	-	22,678
SMITH BARNEY	-	-	-	-	1,708
PIPER JAFFRAY	723	3,030	-	-	11,138
UNREALIZED GAINS (LOSSES)	(6,326)	(6,326)	-	-	-
TOTAL INTEREST INCOME	(2,558)	19,154	80,000	60,846	95,559
LEASE PAYMENTS	-	-	1,250	1,250	200
OTHER INCOME	-	-	-	-	600
TOTAL REVENUES	\$ (2,558)	\$ 19,154	\$ 81,250	\$ 62,096	\$ 96,359
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 1,200	\$ 3,600	\$ 2,400	3,600
81 DIRECTORS FEES	180	720	3,000	2,280	2,160
82 FICA TAXES	41	41	240	199	165
83 ENGINEER/ADMINISTRATIVE	400	1,600	4,800	3,200	4,800
90 AUDIT & BOOKKEEPING	175	525	3,000	2,475	1,800
92 INSURANCE/BONDS	-	-	500	500	2,360
96 OFFICE EXPENSE	-	-	650	650	260
97 OFFICE RENT	100	400	1,200	800	1,200
100 PROFESSIONAL FEES	-	500	5,000	4,500	400
103 TRAVEL	-	83	500	417	357
105 REPAIRS & MAINTENANCE	6,169	7,294	20,000	12,706	50,584
105A CURRENT YEAR GRANT	-	-	25,000	25,000	25,000
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	1,581	5,891	25,000	19,109	5,656
111 PLANNING & DEVELOPMENT	12	63	25,000	24,937	23,477
112 HARP - O & M	-	-	36,800	36,800	29,076
TOTAL EXPENDITURES	8,958	18,317	174,790	156,473	150,895
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (11,516)	\$ 837	\$ (93,540)	\$ (94,377)	\$ (54,536)

SEE ACCOUNTANTS' COMPILATION REPORT



STATE OF COLORADO

OFFICE OF THE STATE AUDITOR
(303) 866-2051
FAX (303) 866-2060

J. DAVID BARBA, CPA
State Auditor

Legislative Services Building
200 East 14th Avenue
Denver, Colorado 80203-2211

April 14, 1999

Board of Directors
Pueblo Conservancy District
c/o Raymond Koester, District Engineer
P. O. Box 234
Pueblo, Colorado 81002

RE: #2638

Dear Board Members:

We have reviewed the Application for Exemption from Audit of the Pueblo Conservancy District. The application for the year ended December 31, 1998 is approved.

If we may be of any assistance to you, please feel free to call us.

Very truly yours,

Linda Greenly, CPA
Director of Local Government Audits

LG:y