

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR AUGUST MEETING OF THE
PUEBLO CONSERVANCY DISTRICT ON AUGUST 11, 2003

DIRECTORS PRESENT: Sandstrom and Farley with Kelly excused

ALSO PRESENT : Don Banner and Ray Koester (Cuppy of Northstar not available to attend)

The meeting was called to order at 7:30 a.m. on the above date with a quorum.

The minutes for the Regular meetings of June 9th (revised) and July were reviewed and approved. The Treasurers report for July was not completed at this date, so will be presented along with the report for August at the September meeting. The following August bills were approved for payment:

	(New series of checks)		
3000	G. Sandstrom	Directors Fees	55.41
3001	K. Farley	Directors Fee	55.41
3002	P. Kelly	Directors Fee	55.41
3003	Banner	Legal Fees	300.00
		Fees	27.55
3004	Engineer Koester	Eng/Admin Fee	400.00
		Rental Fees	100.00
3005	MBDG, pc	Bookkeeping Ser.	200.00
3006	Aquila	Power at Runyon	115.84
3007	City of Pueblo	Fees of Sales	65.50
3008	Spaccamonti Exc.	Weed cutting	2,500.00

Attorney Banner presented the approved Legacy Project agreement and easements (copies attached) ready for the PCD Board to sign. K. Farley was appointed Assistant Secretary and will sign documents with G. Sandstrom as President. Banner will witness the signing and will deliver to the City for final signatures.

Banner also reported that the Department of Wildlife agreement is ready and approved and is awaiting signoff at the State Attorney Generals Office.

Koester announced that a ~~social~~ meeting of the City of Pueblo, and Pueblo Conservancy District with the Western Region of the Corps of Engineers for an update of progress on the Project time table. Koester and one or more of this Board have been asked to attend on August 13 at 10:30 a.m. at the City Council Chambers. Koester also reported that K. R. Swerdfeger Construction having been awarded the contract to replace the sewer line in the Arkansas River. The Contractor is sending a letter of request to use the area just east of Main Street (partly owned by this District) as their main staging area from now to summer of 2005. All trails and bike paths are planned to be removed in the area, and replaced by a service road during the project with no cost to this District. The Board gave approval for Koester to notify the Construction Company of its willingness to allow the area to be used at no cost.

There being no further business to come before the Board the meeting was adjourned at 7:55 a.m. The next regular meeting of the District will be on September 16, 2003 at 7:30 a.m. at NorthStar Conference Room.

APPROVED: <

G. F. Sandstrom, Director

Kathleen Farley, Director

Pat Kelly, Director



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

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 December 31, 2003 and December 31, 2002, and the related comparative statement of revenue and expenditures – actual and budget – general fund for the one month and twelve months ended December 31, 2003, and the twelve months ended December 31, 2002, 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, 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

January 22, 2004

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
DECEMBER 31, 2003 AND DECEMBER 31, 2002

	<u>12/31/2003</u>	<u>12/31/2002</u>
ASSETS		
VECTRA BANK CHECKING	\$ 3,483	\$ 6,407
VECTRA BANK MONEY MARKET	6,564	2,057
BROKERAGE MONEY MARKET ACCOUNTS	23,329	23,546
VECTRA BANK CERTIFICATE OF DEPOSITS	80,000	358,553
FNB COLORADO CERTIFICATE OF DEPOSIT	112,360	106,000
COLOTRUST INVESTMENT	25,000	145,000
WACHOVIA SECURITIES INVESTMENT	487,717	208,744
PIPER JAFFRAY INVESTMENT	361,730	270,135
ACCRUED INTEREST	11,329	15,293
BOOK INVENTORY	<u>6,429</u>	<u>7,229</u>
 TOTAL ASSETS	 <u>\$ 1,117,941</u>	 <u>\$ 1,142,964</u>
LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ 306	\$ 286
PAYROLL TAXES PAYABLE	<u>82</u>	<u>110</u>
 TOTAL LIABILITIES	 <u>388</u>	 <u>396</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	74,090	96,840
UNDESIGNATED	<u>1,037,463</u>	<u>1,039,728</u>
 TOTAL FUND EQUITY	 <u>1,117,553</u>	 <u>1,142,568</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,117,941</u>	 <u>\$ 1,142,964</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND TWELVE MONTHS ENDED DECEMBER 31, 2003
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2002

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2003 BUDGET	UNUSED BUDGET	2002 ACTUAL
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ (1,054)	\$ 15,649	\$ 30,000	\$ 14,351	\$ 24,600
COLOTRUST	(401)	861	8,000	7,139	3,218
MONEY MARKET ACCOUNTS	12	231	4,000	3,769	490
DAIN RAUCHER	-	-	-	-	521
WACHOVIA SECURITIES	2,240	15,031	12,000	(3,031)	11,667
PIPER JAFFRAY	(62)	13,831	6,000	(7,831)	13,232
UNREALIZED GAINS (LOSSES)	(1,050)	(33,726)	-	33,726	2,645
TOTAL INTEREST INCOME	(315)	11,877	60,000	48,123	56,373
LEASE PAYMENTS	-	-	500	500	-
OTHER INCOME	-	1,043	8,000	6,957	600
COST OF SALES	-	(800)	(4,000)	(3,200)	(461)
TOTAL REVENUES	\$ (315)	\$ 12,120	\$ 64,500	\$ 52,380	\$ 56,512
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 3,600	\$ 3,600	\$ -	\$ 3,600
81 DIRECTORS FEES	180	2,160	3,000	840	2,340
82 FICA TAXES	41	165	240	75	179
83 ENGINEER/ADMINISTRATIVE	400	4,800	4,800	-	4,800
90 AUDIT & BOOKKEEPING	400	2,400	2,100	(300)	2,400
92 INSURANCE/BONDS	-	1,143	2,000	857	1,878
96 OFFICE EXPENSE	-	587	650	63	381
97 OFFICE RENT	100	1,200	1,200	-	1,200
100 PROFESSIONAL FEES	236	2,766	5,000	2,234	4,740
103 TRAVEL	-	-	500	500	-
105 REPAIRS & MAINTENANCE	4,508	18,199	45,000	26,801	10,040
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	-	-	25,000	25,000	-
111 PLANNING & DEVELOPMENT	-	-	25,000	25,000	-
112 HARP - O & M	-	-	-	-	55,000
113 SALES TAX	-	115	-	(115)	21
TOTAL EXPENDITURES	6,165	37,135	138,590	101,455	86,579
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (6,480)	\$ (25,015)	\$ (74,090)	\$ (49,075)	\$ (30,067)

SEE ACCOUNTANTS' COMPILATION REPORT

**Colorado Special Districts
Property and Liability Pool**

Administration
Marsh USA, Inc.
P.O. Box 1539
Portland OR 97207
Phone: (888) 313-7322
Fax: (503) 248-4850

Fax

To: *Kesler*
Date: February 9, 2004
Organization: Pueblo Conservancy District
Fax: 719 542 8100
Phone: 719 250 7827
Subject: **2004 Renewal Invoice**

From: Shauna Lange
Fax: 503 248 4850
Phone: 888 313 7322
Pages: 2

Ray,

Thank you for your call today. As we discussed, following is a copy of your district's 2004 renewal invoice to present at your district's Board meeting tomorrow.

Please fax a copy of the signed check before mailing it to our P.O. Box.

Let us know if you need anything further.

Shauna

cc: Mary Ann Eulich, SCA Insurance

The information contained in this facsimile message is confidential, may be privileged, and is intended for the use of the individual or entity named above. If you, the reader of this message, are not the intended recipient, the agent, or employee responsible for delivering this transmission to the intended recipient, you are expressly prohibited from copying, disseminating, distributing, or in any other way using any of the information contained in this facsimile message.

AMAC Marsh & McLennan Companies

***** << FILM/PAPER SAVE >> TO EXTEND INTO ORIGINAL SIZE, PLEASE USE EXTENSION COPY *****
02/09/2004 15:28 FAX 5032484850 MARSH USA INC 002

Colorado Special Districts Property and Liability Pool

INVOICE

Date: 09-Feb-04

Entity: Pueblo Conservancy District
POB 234
Pueblo, CO 81002

Agent: SCA Insurance
POB 4316
Pueblo, CO 810030318

Invoice #:	Entity ID:	Effective Date:	Expiration Date:	Invoice Date:
17C18239-70	18239	01-Jan-04	01-Jan-05	09-Feb-04
Coverage				Contribution
General Liability				\$470
Public Officials Liability				\$488
Auto Liability				\$0
Non-owned / Hired Auto Liability				\$132
Auto Physical Damage				\$0
Hired Auto Physical Damage				\$72
Excess Liability				\$0
Property				\$836
Earthquake				\$0
Flood				\$0
Equipment Breakdown / Boiler and Machinery				\$0
Comprehensive Crime				\$130
Total Contribution				\$1,616

Make Checks Payable to:

Colorado Special Districts Property and Liability Pool
c/o Marsh USA Inc.
P.O. Box 1539
Portland OR 97207-1539
Phone: 1-888-313-7322 Fax: 503-248-4850

PAYMENT DUE UPON RECEIPT.

Your payment evidences "acceptance" of this coverage. Please send a copy of this invoice to help us apply your payment correctly. Thank You.

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
DECEMBER 31, 2003

1/22/2004 7:10 PM

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2002	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 12/31/2003	INTEREST RECEIVED 12/31/2003
<u>CERTIFICATES</u>										
VECTRA BANK	CD#114728 dtd 5/21/02, Int. Paid Semi-Ann	5/21/2004	3.250%	80,000.00	80,000.00	-	-	-	80,000.00	2,621.12
VECTRA BANK	CD#115371 dtd 5/18/99, Int. Comp Qtly	5/18/2003	5.000%	150,000.00	178,553.56	3,994.31	-	182,547.87	-	3,994.31
VECTRA BANK	CD#116196 dtd 7/7/00, Int. Paid Qtly	7/7/2003	6.750%	100,000.00	100,000.00	-	-	100,000.00	-	5,048.63
FNB-COLO	CD#100011368 dtd 2/5/01, Int. Comp Annually	2/5/2004	6.000%	100,000.00	106,000.00	6,360.00	-	-	112,360.00	6,360.00
TOTAL CERTIFICATES					464,553.56	10,354.31	-	282,547.87	192,360.00	18,024.06
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				2,057.39	69,506.72	-	65,000.00	6,564.11	50.11
PIPER JAFFRAY	Money Market Account				23,401.07	364,974.37	-	376,097.74	12,277.70	106.56
WACHOVIA SEC.	Evergreen Money Mkt Fund				144.66	697,757.41	-	686,850.47	11,051.60	74.10
TOTAL CASH ACCOUNTS WITH BROKERS					25,603.12	1,132,238.50	-	1,127,948.21	29,893.41	230.77
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		145,000.00	-	-	120,000.00	25,000.00	1,280.26
TOTAL COLOTRUST					145,000.00	-	-	120,000.00	25,000.00	1,280.26
WACHOVIA SEC.	T-NOTE	8/15/2004	6.000%	100,000.00	107,395.00	-	(1,082.50)	106,312.50	-	2,847.26
	FNMA 03-52 BH REMIC MULTICLASS CMO	6/25/2033	5.500%	101,000.00	-	102,262.50	(948.24)	41,023.31	60,290.95	1,969.44
	FNMA 03-17 ME REMIC MULTICLASS CMO	3/25/2033	5.500%	105,000.00	-	105,262.50	(262.49)	105,000.01	-	2,374.93
	GNMA 03-54 MA REMIC MULTICLASS CMO	7/20/2033	5.000%	183,000.00	-	184,830.00	(4,029.60)	19,946.26	160,854.14	2,978.75
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	99,000.00	-	99,495.00	(10,811.70)	9,000.00	79,683.30	1,188.75
	FHLMC 2672 AA RETAIL LOTTERY	10/15/2033	5.500%	70,000.00	-	70,000.00	(881.05)	3,000.00	66,118.95	317.77
	ABN AMRO MTG 03-11 AS MULTICLASS CMO	10/25/2033	6.000%	63,000.00	-	63,000.00	1,590.12	-	64,590.12	325.50
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	-	36,000.00	(2,439.72)	-	33,560.28	5.50
	GNMA 2003-99 MA REMIC MULTICLASS CMO	11/28/2033	5.500%	23,000.00	-	23,115.00	35.53	531.65	22,618.88	(94.88)
	FEDERAL NATL MTG ASSN	11/8/2010	6.000%	100,000.00	101,349.00	-	(1,349.00)	100,000.00	-	3,000.00
TOTAL WACHOVIA SEC.					208,744.00	683,965.00	(20,178.65)	384,813.73	487,716.62	14,913.02
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		14,405.73	-	(337.86)	4,323.50	9,744.37	1,083.52
	FEDL NATL MTG ASSN INVT NOTES B/E	3/13/2009	5.250%	130,000.00	130,893.75	-	(893.75)	130,000.00	-	2,843.75
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	8/15/2008	5.000%	100,000.00	100,375.00	-	(375.00)	100,000.00	-	1,708.35
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	-	100,000.00	(3,437.50)	-	96,562.50	2,939.42
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	-	130,005.00	(2,239.44)	-	127,765.56	3,408.87
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	-	120,005.00	(5,757.80)	-	114,247.20	1,460.00
	FHLMC #170217	3/1/2017	8.000%		24,460.48	-	(506.17)	10,544.31	13,410.00	1,675.07
TOTAL PIPER JAFFRAY					270,134.96	350,010.00	(13,547.52)	244,867.81	361,729.63	15,118.98
TOTAL INVESTMENTS					623,878.96	1,033,975.00	(33,726.17)	749,681.54	874,446.25	31,312.26
TOTAL ALL ACCOUNTS					1,114,035.64	2,176,567.81	(33,726.17)	2,160,177.62	1,096,699.66	49,567.09

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 SEPTEMBER MEETING

DATE : SEPTEMBER 16, 2003 (TUESDAY) at 7:30 a.m.

PLACE : At NorthStar Engineering Conference Room
(PCD Office)
111 East 5th Street

- A G E N D A -

1. Roll Call
2. Approval of Minutes of August 11TH meeting
3. Treasurers Report for July and August
 - a. Approve bills for September
4. Old Business-
 - a. Update on HARP History Book of the sales, etc.
 - b. Review possible monetary help for HARP on maintenance of old River channel (\$10,000)
5. New Business -
 - a. Hear proposal on lease/purchase of land for use by Coloado Outdoor Performing Arts Association at Runyon.
7. Set date for October meeting.
8. Adjourn.

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BIC

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PUEBLO CONSERVANCY DISTRICT.

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ACCOUNTS PAYABLE - - - -

August Accounts Payable to Approve 08-11-03

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(on new check series, old check servies from 2307 on, Void)

3000	G. Sandstrom	Directors Fee (August) (81)	55.41
3001	K. Farley	Directors Fee (Aug) (81)	55.41
3002	P. Kelly	Directors Fee (Aug) (81)	55.41
3003	BBK&O (Banner)	Legal Fee (Aug) (80)	300.00
		Filing Fees (96)	27.55
3004	Engineer Koester	Eng/Admin (Aug) (83)	400.00
		Rental of Stor and Mtg (97)	100.00
3005	MBDG, PC	Bookeepg Serv (July) (90)	200.00
3006	AQUILA	Power at Runyon (105)	115.84
3007	City of Pueblo	Sales Tax report (113)	65.50
3008	Spaccamonti Exc.	Weed cutting on Levee (105)	2,500.00

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PAYABLE TOTAL \$3,875.12

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ACORD™ CERTIFICATE OF LIABILITY INSURANCEDATE (MM/DD/YYYY)
07/14/2003PRODUCER (719)544-1111 FAX
Peoples Insurance Agency, Inc.
PO Box 8210
Pueblo, CO 81008THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION
ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE
HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR
ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

NAIC #

INSURED Spaccamonti Excavating
1805 Aspen Circle
Pueblo, CO 81006

INSURER A: American Casualty

20427C

INSURER B: Transportation

20494C

INSURER C: Pinnacle Assurance

INSURER D:

INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	C 1043647121	12/01/2002	12/01/2003	EACH OCCURRENCE \$ 1,000,000
	☒ COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	☐ CLAIMS MADE ☒ OCCUR				MED EXP (Any one person) \$ 5,000
	GEN'L AGGREGATE LIMIT APPLIES PER:				PERSONAL & ADV INJURY \$ 1,000,000
	☐ POLICY ☐ PRO-JECT ☐ LOC				GENERAL AGGREGATE \$ 2,000,000
					PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY	C 1056451732	12/01/2002	12/01/2003	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	☒ ANY AUTO				BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	☒ SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
	☒ HIRED AUTOS				
	☒ NON-OWNED AUTOS				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	☐ ANY AUTO				OTHER THAN EA ACC \$
					AUTO ONLY: AGG \$
B	EXCESS/UMBRELLA LIABILITY	C 1044861654	12/01/2002	12/01/2003	EACH OCCURRENCE \$ 1,000,000
	☐ OCCUR ☐ CLAIMS MADE				AGGREGATE \$ 1,000,000
	☐ DEDUCTIBLE				\$
	RETENTION \$				\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	4058548	07/01/2003	07/01/2004	WC STATUTORY LIMITS \$
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
					E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	OTHER Scheduled Equipent Leased or Rented Equipment	C 1043647121	12/01/2002	12/01/2003	\$895,700 \$600,000 per Occurrence \$1,500,000 Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

2% or \$5,000 minimum deductible on Scheduled or Leased or Rented Equipment

CERTIFICATE HOLDER

Pueblo Conservancy District &
Northstar Engineering & Surveying
111 E. 5th St.
Pueblo, CO 81003

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Serena Torres/SERENA

Serena Torres



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

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

EXTRA

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 July 31, 2003 and December 31, 2002, and the related comparative statement of revenue and expenditures – actual and budget – general fund for the one month and seven months ended July 31, 2003, and the twelve months ended December 31, 2002, 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, 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 12, 2003

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
JULY 31, 2003 AND DECEMBER 31, 2002

	<u>7/31/03</u>	<u>12/31/02</u>
ASSETS		
VECTRA BANK CHECKING	\$ 9,427	\$ 6,407
VECTRA BANK MONEY MARKET	31,312	2,057
BROKERAGE MONEY MARKET ACCOUNTS	5,785	23,546
VECTRA BANK CERTIFICATE OF DEPOSITS	80,000	358,553
FNB COLORADO CERTIFICATE OF DEPOSIT	112,360	106,000
COLOTRUST INVESTMENT	25,000	145,000
WACHOVIA SECURITIES INVESTMENT	487,995	208,744
PIPER JAFFRAY INVESTMENT	382,533	270,135
ACCRUED INTEREST	15,293	15,293
BOOK INVENTORY	<u>6,429</u>	<u>7,229</u>
 TOTAL ASSETS	 <u>\$ 1,156,134</u>	 <u>\$ 1,142,964</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 286
PAYROLL TAXES PAYABLE	<u>14</u>	<u>110</u>
 TOTAL LIABILITIES	 <u>14</u>	 <u>396</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	74,090	96,840
UNDESIGNATED	<u>1,076,030</u>	<u>1,039,728</u>
 TOTAL FUND EQUITY	 <u>1,156,120</u>	 <u>1,142,568</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,156,134</u>	 <u>\$ 1,142,964</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND SEVEN MONTHS ENDED JULY 31, 2003
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2002

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2003 BUDGET	UNUSED BUDGET	2002 ACTUAL
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ 1,223	\$ 16,703	\$ 30,000	\$ 13,297	\$ 24,600
COLOTRUST	50	1,052	8,000	6,948	3,218
MONEY MARKET ACCOUNTS	37	180	4,000	3,820	490
DAIN RAUCHER	-	-	-	-	521
WACHOVIA SECURITIES	541	6,211	12,000	5,789	11,667
PIPER JAFFRAY	972	8,945	6,000	(2,945)	13,232
UNREALIZED GAINS (LOSSES)	(3,154)	(3,320)	-	3,320	2,645
TOTAL INTEREST INCOME	(331)	29,771	60,000	30,229	56,373
LEASE PAYMENTS	-	-	500	500	-
OTHER INCOME	-	1,043	8,000	6,957	600
COST OF SALES	-	(800)	(4,000)	(3,200)	(461)
TOTAL REVENUES	\$ (331)	\$ 30,014	\$ 64,500	\$ 34,486	\$ 56,512
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 2,100	\$ 3,600	\$ 1,500	\$ 3,600
81 DIRECTORS FEES	180	1,260	3,000	1,740	2,340
82 FICA TAXES	42	83	240	157	179
83 ENGINEER/ADMINISTRATIVE	400	2,800	4,800	2,000	4,800
90 AUDIT & BOOKKEEPING	200	1,200	2,100	900	2,400
92 INSURANCE/BONDS	-	1,126	2,000	874	1,878
96 OFFICE EXPENSE	-	376	650	274	381
97 OFFICE RENT	100	700	1,200	500	1,200
100 PROFESSIONAL FEES	-	50	5,000	4,950	4,740
103 TRAVEL	-	-	500	500	-
105 REPAIRS & MAINTENANCE	95	6,767	45,000	38,233	10,040
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	-	-	25,000	25,000	-
111 PLANNING & DEVELOPMENT	-	-	25,000	25,000	-
112 HARP - O & M	-	-	-	-	55,000
113 SALES TAX	-	-	-	-	21
TOTAL EXPENDITURES	1,317	16,462	138,590	122,128	86,579
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,648)	\$ 13,552	\$ (74,090)	\$ (87,642)	\$ (30,067)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
DECEMBER 31, 2003

9/10/03 7:57 AM

<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/02</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 12/31/03</u>	<u>INTEREST RECEIVED 12/31/03</u>
<u>CERTIFICATES</u>										
VECTRA BANK	CD#114728 dtd 5/21/02, Int. Paid Semi-Ann	5/21/04	3.250%	80,000.00	80,000.00	-	-	-	80,000.00	1,299.70
VECTRA BANK	CD#115371 dtd 5/18/99, Int. Comp Qtly	5/18/03	5.000%	150,000.00	178,553.56	3,994.31	-	182,547.87	-	3,994.31
VECTRA BANK	CD#116196 dtd 7/7/00, Int. Paid Qtly	7/7/03	6.750%	100,000.00	100,000.00	-	-	100,000.00	-	5,048.63
FNB-COLO	CD#100011368 dtd 2/5/01, Int. Comp Annually	2/5/04	6.000%	100,000.00	106,000.00	6,360.00	-	-	112,360.00	6,360.00
TOTAL CERTIFICATES					464,553.56	10,354.31	-	282,547.87	192,360.00	16,702.64
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				2,057.39	29,260.95	-	-	31,318.34	37.50
PIPER JAFFRAY	Money Market Account				23,401.07	359,198.21	-	376,097.74	6,501.54	90.96
WACHOVIA SEC.	Evergreen Money Mkt Fund				144.66	494,222.96	-	493,866.45	501.17	63.20
TOTAL CASH ACCOUNTS WITH BROKERS					25,603.12	882,682.12	-	869,964.19	38,321.05	191.66
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		145,000.00	-	-	120,000.00	25,000.00	1,071.92
TOTAL COLOTRUST					145,000.00	-	-	120,000.00	25,000.00	1,071.92
WACHOVIA SEC.	T-NOTE	8/15/04	6.000%	100,000.00	107,395.00	-	(1,082.50)	106,312.50	-	2,847.26
	FNMA 03-52 BH REMIC MULTICLASS CMO	6/25/33	5.500%	101,000.00	-	102,262.50	(1,187.43)	5,970.22	95,104.85	472.94
	FNMA 03-17 ME REMIC MULTICLASS CMO	3/25/33	5.500%	105,000.00	-	105,262.50	(185.15)	32,714.49	72,362.86	1,958.36
	GNMA 03-54 MA REMIC MULTICLASS CMO	7/20/33	5.000%	183,000.00	-	184,830.00	(799.73)	1,292.97	182,737.30	25.42
	FHLMC 2646 LL RETAIL LOTTERY	8/15/33	5.000%	99,000.00	-	99,495.00	(5,445.00)	-	94,050.00	(398.75)
	FEDERAL NATL MTG ASSN	11/8/10	6.000%	100,000.00	101,349.00	-	(1,349.00)	100,000.00	-	3,000.00
TOTAL WACHOVIA SEC.					208,744.00	491,850.00	(10,048.81)	246,290.18	444,255.01	7,905.23
PIPER JAFFRAY	GNMA POOL #24920	6/15/08	8.250%		14,405.73	-	(203.16)	2,131.13	12,071.44	804.82
	FEDL NATL MTG ASSN INVT NOTES B/E	3/13/09	5.250%	130,000.00	130,893.75	-	(893.75)	130,000.00	-	2,843.75
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	8/15/08	5.000%	100,000.00	100,375.00	-	(375.00)	100,000.00	-	1,708.35
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/10	4.000%	100,000.00	-	100,000.00	(3,654.00)	-	96,346.00	1,606.10
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/11	4.000%	130,000.00	-	130,005.00	(5,489.44)	-	124,515.56	1,675.55
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/09	3.000%	120,000.00	-	120,005.00	(9,140.60)	-	110,864.40	260.00
	FHLMC #170217	3/1/17	8.000%		24,460.48	-	(1,213.38)	6,976.12	16,270.98	1,271.45
TOTAL PIPER JAFFRAY					270,134.96	350,010.00	(20,969.33)	239,107.25	360,068.38	10,170.02
TOTAL INVESTMENTS					623,878.96	841,860.00	(31,018.14)	605,397.43	829,323.39	19,147.17
TOTAL ALL ACCOUNTS					1,114,035.64	1,734,896.43	(31,018.14)	1,757,909.49	1,060,004.44	36,041.47



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

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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 September 30, 2003 and December 31, 2002, and the related comparative statement of revenue and expenditures – actual and budget – general fund for the one month and nine months ended September 30, 2003, and the twelve months ended December 31, 2002, 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, 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 6, 2003

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
SEPTEMBER 30, 2003 AND DECEMBER 31, 2002

	<u>9/30/03</u>	<u>12/31/02</u>
ASSETS		
VECTRA BANK CHECKING	\$ 5,393	\$ 6,407
VECTRA BANK MONEY MARKET	6,559	2,057
BROKERAGE MONEY MARKET ACCOUNTS	9,735	23,546
VECTRA BANK CERTIFICATE OF DEPOSITS	80,000	358,553
FNB COLORADO CERTIFICATE OF DEPOSIT	112,360	106,000
COLOTRUST INVESTMENT	25,000	145,000
WACHOVIA SECURITIES INVESTMENT	469,605	208,744
PIPER JAFFRAY INVESTMENT	359,527	270,135
ACCRUED INTEREST	15,293	15,293
BOOK INVENTORY	<u>6,429</u>	<u>7,229</u>
 TOTAL ASSETS	 <u>\$ 1,089,901</u>	 <u>\$ 1,142,964</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 286
PAYROLL TAXES PAYABLE	<u>41</u>	<u>110</u>
 TOTAL LIABILITIES	 <u>41</u>	 <u>396</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	74,090	96,840
UNDESIGNATED	<u>1,009,770</u>	<u>1,039,728</u>
 TOTAL FUND EQUITY	 <u>1,089,860</u>	 <u>1,142,568</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,089,901</u>	 <u>\$ 1,142,964</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND NINE MONTHS ENDED SEPTEMBER 30, 2003
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2002

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2003 BUDGET	UNUSED BUDGET	2002 ACTUAL
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ -	\$ 16,703	\$ 30,000	\$ 13,297	\$ 24,600
COLOTRUST	19	1,091	8,000	6,909	3,218
MONEY MARKET ACCOUNTS	11	203	4,000	3,797	490
DAIN RAUCHER	-	-	-	-	521
WACHOVIA SECURITIES	1,322	9,227	12,000	2,773	11,667
PIPER JAFFRAY	1,256	11,425	6,000	(5,425)	13,232
UNREALIZED GAINS (LOSSES)	(36,848)	(67,865)	-	67,865	2,645
TOTAL INTEREST INCOME	(34,240)	(29,216)	60,000	89,216	56,373
LEASE PAYMENTS	-	-	500	500	-
OTHER INCOME	-	1,043	8,000	6,957	600
COST OF SALES	-	(800)	(4,000)	(3,200)	(461)
TOTAL REVENUES	\$ (34,240)	\$ (28,973)	\$ 64,500	\$ 93,473	\$ 56,512
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 2,700	\$ 3,600	\$ 900	\$ 3,600
81 DIRECTORS FEES	180	1,620	3,000	1,380	2,340
82 FICA TAXES	-	83	240	157	179
83 ENGINEER/ADMINISTRATIVE	400	3,600	4,800	1,200	4,800
90 AUDIT & BOOKKEEPING	200	1,600	2,100	500	2,400
92 INSURANCE/BONDS	17	1,143	2,000	857	1,878
96 OFFICE EXPENSE	-	535	650	115	381
97 OFFICE RENT	100	900	1,200	300	1,200
100 PROFESSIONAL FEES	-	50	5,000	4,950	4,740
103 TRAVEL	-	-	500	500	-
105 REPAIRS & MAINTENANCE	2,056	11,439	45,000	33,561	10,040
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	-	-	25,000	25,000	-
111 PLANNING & DEVELOPMENT	-	-	25,000	25,000	-
112 HARP - O & M	-	-	-	-	55,000
113 SALES TAX	-	65	-	(65)	21
TOTAL EXPENDITURES	3,253	23,735	138,590	114,855	86,579
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (37,493)	\$ (52,708)	\$ (74,090)	\$ (21,382)	\$ (30,067)

SEE ACCOUNTANTS' COMPILATION REPORT



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Extra

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 August 31, 2003 and December 31, 2002, and the related comparative statement of revenue and expenditures – actual and budget – general fund for the one month and eight months ended August 31, 2003, and the twelve months ended December 31, 2002, 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, 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

September 10, 2003

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
AUGUST 31, 2003 AND DECEMBER 31, 2002

	<u>8/31/03</u>	<u>12/31/02</u>
ASSETS		
VECTRA BANK CHECKING	\$ 45,654	\$ 6,407
VECTRA BANK MONEY MARKET	31,318	2,057
BROKERAGE MONEY MARKET ACCOUNTS	7,003	23,546
VECTRA BANK CERTIFICATE OF DEPOSITS	80,000	358,553
FNB COLORADO CERTIFICATE OF DEPOSIT	112,360	106,000
COLOTRUST INVESTMENT	25,000	145,000
WACHOVIA SECURITIES INVESTMENT	444,255	208,744
PIPER JAFFRAY INVESTMENT	360,068	270,135
ACCRUED INTEREST	15,293	15,293
BOOK INVENTORY	<u>6,429</u>	<u>7,229</u>
 TOTAL ASSETS	 <u>\$ 1,127,380</u>	 <u>\$ 1,142,964</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 286
PAYROLL TAXES PAYABLE	<u>27</u>	<u>110</u>
 TOTAL LIABILITIES	 <u>27</u>	 <u>396</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES	74,090	96,840
UNDESIGNATED	<u>1,047,263</u>	<u>1,039,728</u>
 TOTAL FUND EQUITY	 <u>1,127,353</u>	 <u>1,142,568</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,127,380</u>	 <u>\$ 1,142,964</u>

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURE
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND EIGHT MONTHS ENDED AUGUST 31, 2003
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2002

	ACTUAL				
	CURRENT MONTH	YEAR TO DATE	2003 BUDGET	UNUSED BUDGET	2002 ACTUAL
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ -	\$ 16,703	\$ 30,000	\$ 13,297	\$ 24,600
COLOTRUST	20	1,072	8,000	6,928	3,218
MONEY MARKET ACCOUNTS	12	192	4,000	3,808	490
DAIN RAUCHER	-	-	-	-	521
WACHOVIA SECURITIES	1,694	7,905	12,000	4,095	11,667
PIPER JAFFRAY	1,224	10,169	6,000	(4,169)	13,232
UNREALIZED GAINS (LOSSES)	(27,697)	(31,017)	-	31,017	2,645
TOTAL INTEREST INCOME	(24,747)	5,024	60,000	54,976	56,373
LEASE PAYMENTS	-	-	500	500	-
OTHER INCOME	-	1,043	8,000	6,957	600
COST OF SALES	-	(800)	(4,000)	(3,200)	(461)
TOTAL REVENUES	\$ (24,747)	\$ 5,267	\$ 64,500	\$ 59,233	\$ 56,512
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 2,400	\$ 3,600	\$ 1,200	\$ 3,600
81 DIRECTORS FEES	180	1,440	3,000	1,560	2,340
82 FICA TAXES	-	83	240	157	179
83 ENGINEER/ADMINISTRATIVE	400	3,200	4,800	1,600	4,800
90 AUDIT & BOOKKEEPING	200	1,400	2,100	700	2,400
92 INSURANCE/BONDS	-	1,126	2,000	874	1,878
96 OFFICE EXPENSE	159	535	650	115	381
97 OFFICE RENT	100	800	1,200	400	1,200
100 PROFESSIONAL FEES	-	50	5,000	4,950	4,740
103 TRAVEL	-	-	500	500	-
105 REPAIRS & MAINTENANCE	2,616	9,383	45,000	35,617	10,040
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	-	-	25,000	25,000	-
111 PLANNING & DEVELOPMENT	-	-	25,000	25,000	-
112 HARP - O & M	-	-	-	-	55,000
113 SALES TAX	65	65	-	(65)	21
TOTAL EXPENDITURES	4,020	20,482	138,590	118,108	86,579
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (28,767)	\$ (15,215)	\$ (74,090)	\$ (58,875)	\$ (30,067)

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
DECEMBER 31, 2003

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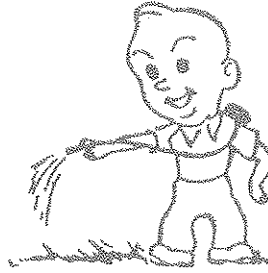
<u>BROKER</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PAR VALUE</u>	<u>BALANCE 12/31/02</u>	<u>ADDITIONS</u>	<u>MKT VALUE CHANGE</u>	<u>REDEMPTION SALES</u>	<u>BALANCE 12/31/03</u>	<u>INTEREST RECEIVED 12/31/03</u>
<u>CERTIFICATES</u>										
VECTRA BANK	CD#114728 dtd 5/21/02, Int. Paid Semi-Ann	5/21/04	3.250%	80,000.00	80,000.00	-	-	-	80,000.00	1,299.70
VECTRA BANK	CD#115371 dtd 5/18/99, Int. Comp Qdly	5/18/03	5.000%	150,000.00	178,553.56	3,994.31	-	182,547.87	-	3,994.31
VECTRA BANK	CD#116196 dtd 7/7/00, Int. Paid Qdly	7/7/03	6.750%	100,000.00	100,000.00	-	-	100,000.00	-	5,048.63
FNB-COLO	CD#100011368 dtd 2/5/01, Int. Comp Annually	2/5/04	6.000%	100,000.00	106,000.00	6,360.00	-	-	112,360.00	6,360.00
TOTAL CERTIFICATES					464,553.56	10,354.31	-	282,547.87	192,360.00	16,702.64
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				2,057.39	29,254.30	-	-	31,311.69	30.85
PIPER JAFFRAY	Money Market Account				23,401.07	357,983.32	-	376,097.74	5,286.65	88.89
WACHOVIA SEC.	Evergreen Money Mkt Fund				144.66	494,219.94	-	493,866.45	498.15	60.18
TOTAL CASH ACCOUNTS WITH BROKERS					25,603.12	881,457.56	-	869,964.19	37,096.49	179.92
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		145,000.00	-	-	120,000.00	25,000.00	1,052.23
TOTAL COLOTRUST					145,000.00	-	-	120,000.00	25,000.00	1,052.23
WACHOVIA SEC.	T-NOTE	8/15/04	6.000%	100,000.00	107,395.00	-	(1,082.50)	106,312.50	-	2,847.26
	FNMA 03-52 BH REMIC MULTICLASS CMO	6/25/33	5.500%	101,000.00	-	102,262.50	(1,083.83)	1,180.48	99,998.19	15.43
	FNMA 03-17 ME REMIC MULTICLASS CMO	3/25/33	5.500%	105,000.00	-	105,262.50	(87.59)	1,502.67	103,672.24	1,484.00
	GNMA 03-54 MA REMIC MULTICLASS CMO	7/20/33	5.000%	183,000.00	-	184,830.00	-	-	184,830.00	(737.08)
	FHLMC 2646 LL RETAIL LOTTERY	8/15/33	5.000%	99,000.00	-	99,495.00	-	-	99,495.00	(398.75)
	FEDERAL NATL MTG ASSN	11/8/10	6.000%	100,000.00	101,349.00	-	(1,349.00)	100,000.00	-	3,000.00
TOTAL WACHOVIA SEC.					208,744.00	491,850.00	(3,602.92)	208,995.65	487,995.43	6,210.86
PIPER JAFFRAY	GNMA POOL #24920	6/15/08	8.250%		14,405.73	-	(122.68)	1,080.68	13,202.37	720.36
	FEDL NATL MTG ASSN INVT NOTES B/E	3/13/09	5.250%	130,000.00	130,893.75	-	(893.75)	130,000.00	-	2,843.75
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	8/15/08	5.000%	100,000.00	100,375.00	-	(375.00)	100,000.00	-	1,708.35
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/10	4.000%	100,000.00	-	100,000.00	1,025.00	-	101,025.00	1,272.77
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/11	4.000%	130,000.00	-	130,005.00	1,660.56	-	131,665.56	1,242.22
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/09	3.000%	120,000.00	-	120,005.00	(1,628.60)	-	118,376.40	-
	FHLMC #170217	3/1/17	8.000%		24,460.48	-	616.70	6,813.75	18,263.43	1,158.00
TOTAL PIPER JAFFRAY					270,134.96	350,010.00	282.23	237,894.43	382,532.76	8,945.45
TOTAL INVESTMENTS					623,878.96	841,860.00	(3,320.69)	566,890.08	895,528.19	16,208.54
TOTAL ALL ACCOUNTS					1,114,035.64	1,733,671.87	(3,320.69)	1,719,402.14	1,124,984.68	33,091.10

THE PUEBLO CONSERVANCY DISTRICT

2 0 0 4 BUDGET

	2002 Actual	2003 Budget	Est. 2003 Rev. & Exp.	2004 BUDGET
REVENUES				
Interest:	\$ 53,728	\$ 60,000	\$ 51,500	\$ 58,000
Leases, Books, Other	600	8,500	1,043	4,000
Unrealized Gains	2,645	-	-	-
TOTAL REVENUES	\$ 56,973	\$ 68,500	\$ 52,543.	\$ 62,000.
EXPENDITURES				
Directors Fees	\$ 2,340	\$ 3,000	\$ 2,160	\$ 3,000
FICA Taxes	179	240	179	240
Legal Fees	3,600	3,600	3,600	3,600
Eng, Adm	4,800	4,800	4,800	4,800
Audit & Bkpg Fees	2,400	2,100	2,100	2,400
Insurance & Bonds	1,878	2,000	1,524	2,000
Office Exp.	381	650	600	650
Office Rent & Stor	1,200	1,200	1,200	1,200
Professional Fees	4,740	5,000	2,500	5,000
History Book Pub. & Tax	482	4,000	300	500
Travel	0	500	0	500
Repairs & Mainten.	10,040	45,000	13,500	45,000
Contingencies	0	500	0	500
Emerg. Flood Repairs	0	20,000	0	20,000
Capital Improvements	0	25,000	0	25,000
Planning & Devel.	0	25,000	0	0
HARP O & M	55,000	0	0	0
TOTAL EXPENDITURES	\$ 87,040.	\$142,590.	\$ 32,463.	\$117,090.
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(\$30,067.)	(\$74,090)	\$20,080	(\$55,090.)
BEGINNING RESERVE FUND BALANCE	\$1,173,031.	\$1,142,964	\$1,142,964.	\$1,163,044.
ENDING RESERVE FUND BALANCE	\$1,142,964	\$1,068,874	\$1,163,044	\$1,107,954.

CHEM-WAY



March 5, 2004

1017 S. SANTA FE AVE., PUEBLO, COLORADO 81006
719-543-7910

Raymond F. Koester
Pueblo Conservancy District
PO Box 234
Pueblo, Co. 81002

Re: Accounts # 3596 & 43459

Dear Ray,

Thank you for your continued confidence in Chem-Way Inc., I would like to submit this bid for the 2004 growing season, for vegetation & deciduous plant control for the areas mentioned in this letter.

The general vegetation on the rip-rap on the south side of the river on either side of the Union Avenue bridge will be controlled. We will control the weeds on the back side of the levee at the grove as we have in the past seasons.

We will treat the north concrete levee for all vegetation control. The area to include all of the joints in the concrete slope from the top of the levee down to near the water's edge or the soils edge from the West 11th Street bridge down stream to approximately 200 yards east of the Santa Fe Avenue bridge. It will also include the gunnite face of the back side of the levee that faces Union Depot for about 1300 feet.

The south side of the Arkansas River channel will be treated from near the waters edge up to the established spray line, from the foot bridge west of the stadium to the Santa Fe Avenue bridge to control the deciduous growth.

Total cost for all treatments is \$8420.00. If you pre-pay 75% of the contract by April 1, 2004 you will save \$378.90 ($8420 \times 75\% = \$6315.00 - (6\%) = \$378.90$ savings) or \$5936.10 net. The balance of \$2105.00 that will be due August 1, 2004.

If you choose to pre-pay the entire amount, you will gain an 8% discount for the total amount. ($\$8420.00 (-8\%) - \$673.60 = \$7746.40$ net for the entire contract.)

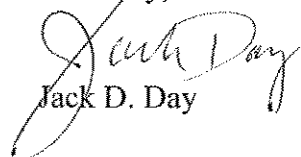
By pre-paying the total, you will save an additional \$294.60 over partial pre-pay.

6315.00
- 378.90
5936.10
2105.00
8041.10
- 7746.40
294.70

Should you decide to make monthly payments, we will bill you \$2105.00 per month for 4 months, starting in May.

We look forward to working with you again this season.

Sincerely,

A handwritten signature in cursive script that reads "Jack D. Day". The signature is fluid and stylized, with the first name "Jack" being the most prominent part of the script.

Jack D. Day

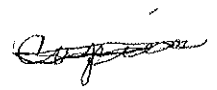
NOTICE OF JULY MEETING

DATE : July 13, 2004 (Tuesday) at 7:30. a.m.
PLACE : At NorthStar Engineering Conference Room
(PCD Office)
111 East 5th Street

A G E N D A

1. Roll Call
2. Approval of Minutes of June 15th meeting
3. Treasurers Report
 - A. For June 2004
 - B. Approve bills for July
4. Old Business-
 - a. Update on HARP History book sales
5. New Business-
 - a. Welcome representatives of Mahatma Gandhi Peace Garden for a presentation they have prepared.
6. Set date for August meeting.
7. Adjourn

PUEBLO CONSERVANCY DISTRICT



Accounts payable -----

July Accounts Payable to approve 07-13-04:

3097	G. Sandstrom	Directors Fee (July) (81)	55.41
3098	K. Farley	Directors Fee (July) (81)	55.41
3099	V. Haynes	Directors Fee (July) (81)	55.41
3100	BBCK&O p.c.	Banner Legal Fee (July) (80)	300.00
3101	Engineer Koester	Eng/Admin (July) (83)	400.00
		Rental of Stor and Mtg (9 7)	100.00
		Advance of P.O Box Rent	126.00
3102	MBDG, p.c.	Bookeepg. Serv (Apr) (90)	200.00
3103	AQUILA	Power at Runyon (105)	105.73
3104	U.S. Treasury	2 nd Qtr Form 941	82.62
		Employee WH \$4131	
		Employer Match 41.31	

PAYABLE TOTAL: \$ 1480.58

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
DECEMBER 31, 2004

7/9/2004 11:39 AM

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2003	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 12/31/2004	INTEREST RECEIVED 12/31/2004
<u>CERTIFICATES</u>										
VECTRA BANK	CD#114728 dtd 5/21/02, Int. Paid Semi-Ann	5/21/2004	3.250%	80,000.00	80,000.00	-	-	80,000.00	-	1,306.94
FNB-COLO	CD#100011368 dtd 2/5/01, Int. Comp Annually	2/5/2004	6.000%	100,000.00	112,360.00	-	-	112,360.00	-	6,741.60
TOTAL CERTIFICATES					192,360.00	-	-	192,360.00	-	8,048.54
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				6,564.11	6.70	-	-	6,570.81	6.70
PIPER JAFFRAY	Money Market Account				12,277.70	4,137.11	-	-	16,414.81	19.89
WACHOVIA SEC.	Evergreen Money Mkt Fund				11,051.60	434,339.12	-	445,169.51	221.21	34.00
TOTAL CASH ACCOUNTS WITH BROKERS					29,893.41	438,482.93	-	445,169.51	23,206.83	60.59
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	116.43
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	116.43
WACHOVIA SEC.	FNMA 03-52 BH REMIC MULTICLASS CMO	6/25/2033	5.500%	101,000.00	60,290.95	-	(334.25)	43,181.49	16,775.21	1,442.99
	GNMA 03-54 MA REMIC MULTICLASS CMO	7/20/2033	5.000%	183,000.00	160,854.14	-	589.31	51,922.19	109,521.26	3,790.41
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	78,000.00	79,683.30	-	2,032.32	12,000.00	69,715.62	1,862.50
	FHLMC 2672 AA RETAIL LOTTERY	10/15/2033	5.500%	26,000.00	66,118.95	-	585.43	41,000.00	25,704.38	1,425.41
	ABN AMRO MTG 03-11 AS MULTICLASS CMO	10/25/2033	6.000%	63,000.00	64,590.12	57.50	(1,017.62)	63,630.00	-	934.50
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	33,560.28	-	1,096.20	-	34,656.48	825.00
	GNMA 04-39 AH REMIC MULTICLASS CMO	5/20/2032	5.500%	20,000.00	-	19,900.00	(300.00)	-	19,600.00	(82.50)
	FNMA 04-50 DA RETAIL LOTTERY	6/25/2034	6.000%	79,000.00	-	79,000.00	-	-	79,000.00	(381.83)
	HARTFORD MUT FDS INC, INFLATION PLUS FD			345,699.00	-	345,771.00	(14,693.88)	-	331,077.12	2,782.76
	GNMA 2003-99 MA REMIC MULTICLASS CMO	11/28/2033	5.500%	23,000.00	22,618.88	57.50	(424.57)	22,251.81	-	304.34
TOTAL WACHOVIA SEC.					487,716.62	444,786.00	(12,467.06)	233,985.49	686,050.07	12,903.58
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		9,744.37	-	(198.93)	2,162.22	7,383.22	343.43
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	96,562.50	-	(406.30)	-	96,156.20	1,999.98
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	127,765.56	-	(3,168.75)	-	124,596.81	2,599.98
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	114,247.20	-	(2,636.40)	-	111,610.80	1,800.00
	FHLMC #170217	3/1/2017	8.000%		13,410.00	-	239.94	1,955.00	11,694.94	490.08
TOTAL PIPER JAFFRAY					361,729.63	-	(6,170.44)	4,117.22	351,441.97	7,233.47
TOTAL INVESTMENTS					874,446.25	444,786.00	(18,637.50)	238,102.71	1,062,492.04	20,253.48
TOTAL ALL ACCOUNTS					1,096,699.66	883,268.93	(18,637.50)	875,632.22	1,085,698.87	28,362.61

PUEBLO CONSERVANCY DISTRICT
INVESTMENTS
DECEMBER 31, 2004

6/2/2004 3:34 PM

BROKER	DESCRIPTION	MATURITY DATE	RATE	PAR VALUE	BALANCE 12/31/2003	ADDITIONS	MKT VALUE CHANGE	REDEMPTION SALES	BALANCE 12/31/2004	INTEREST RECEIVED 12/31/2004
<u>CERTIFICATES</u>										
VECTRA BANK	CD#114728 dtd 5/21/02, Int. Paid Semi-Ann	5/21/2004	3.250%	80,000.00	80,000.00	-	-	-	80,000.00	-
FNB-COLO	CD#100011368 dtd 2/5/01, Int. Comp Annually	2/5/2004	6.000%	100,000.00	112,360.00	-	-	112,360.00	-	6,741.60
TOTAL CERTIFICATES					192,360.00	-	-	112,360.00	80,000.00	6,741.60
<u>CASH ACCOUNTS</u>										
VECTRA BANK	Money Market Account				6,564.11	5.44	-	-	6,569.55	5.44
PIPER JAFFRAY	Money Market Account				12,277.70	3,995.83	-	-	16,273.53	15.32
WACHOVIA SEC.	Evergreen Money Mkt Fund				11,051.60	274,877.09	-	285,765.00	163.69	17.15
TOTAL CASH ACCOUNTS WITH BROKERS					29,893.41	278,878.36	-	285,765.00	23,006.77	37.91
<u>INVESTMENTS</u>										
COLOTRUST	Acct. 7081 - PLUS		6.240%		25,000.00	-	-	-	25,000.00	77.70
TOTAL COLOTRUST					25,000.00	-	-	-	25,000.00	77.70
WACHOVIA SEC.	FNMA 03-52 BH REMIC MULTICLASS CMO	6/25/2033	5.500%	101,000.00	60,290.95	-	(278.94)	25,346.00	34,666.01	1,284.27
	GNMA 03-54 MA REMIC MULTICLASS CMO	7/20/2033	5.000%	183,000.00	160,854.14	-	384.66	36,312.50	124,926.30	3,262.32
	FHLMC 2646 LL RETAIL LOTTERY	8/15/2033	5.000%	99,000.00	79,683.30	-	(300.86)	4,000.00	75,382.44	1,504.17
	FHLMC 2672 AA RETAIL LOTTERY	10/15/2033	5.500%	70,000.00	66,118.95	-	518.49	23,000.00	43,637.44	1,223.74
	ABN AMRO MTG 03-11 A8 MULTICLASS CMO	10/25/2033	6.000%	63,000.00	64,590.12	57.50	(1,017.62)	63,630.00	-	934.50
	FHLMC 2688 DD RETAIL LOTTERY	11/15/2033	5.500%	36,000.00	33,560.28	-	929.88	-	34,490.16	660.00
	HARTFORD MUT FDS INC, INFLATION PLUS FD			214,000.00	-	285,765.00	(15,913.67)	-	269,851.33	1,815.95
	GNMA 2003-99 MA REMIC MULTICLASS CMO	11/28/2033	5.500%	23,000.00	22,618.88	57.50	(424.57)	22,251.81	-	304.34
TOTAL WACHOVIA SEC.					487,716.62	285,880.00	(16,102.63)	174,540.31	582,953.68	10,989.29
PIPER JAFFRAY	GNMA POOL #24920	6/15/2008	8.250%		9,744.37	-	(169.97)	2,025.51	7,548.89	295.19
	FEDL NATL MTG ASSN INVT NOTES B/E	8/20/2010	4.000%	100,000.00	96,562.50	-	625.00	-	97,187.50	1,666.65
	FEDL NATL MTG ASSN INVT NOTES B/E	6/24/2011	4.000%	130,000.00	127,765.56	-	(1,950.00)	-	125,815.56	2,166.65
	FEDL HOME LN MTG CORP FREDDIENOTES B/E	12/15/2009	3.000%	120,000.00	114,247.20	-	(1,581.60)	-	112,665.60	1,500.00
	FHLMC #170217	3/1/2017	8.000%		13,410.00	-	949.91	1,955.00	12,404.91	414.53
TOTAL PIPER JAFFRAY					361,729.63	-	(2,126.66)	3,980.51	355,622.46	6,043.02
TOTAL INVESTMENTS					874,446.25	285,880.00	(18,229.29)	178,520.82	963,576.14	17,110.01
TOTAL ALL ACCOUNTS					1,096,699.66	564,758.36	(18,229.29)	576,645.82	1,066,582.91	23,889.52

*Let Wachovia
6 P.M. get the front dividend
to Spinnaker*

2-13-04

ACTIVITY DURING JUNE 2004 BY ADMINISTRATOR / ENGINEER
KOESTER

Two trips to the Legacy of Parks construction, along with inspection of City Storm Sewer construction.

Four phone calls from interested parties about trail system maintenance.

Consult with Joanne Cook at MBDG regarding bookkeeping for three times; to ask about clarification of accounting summary, provide monthly deposit statements, bank statements and investment activity and reports.

Prepare minutes of June Meeting and agenda for July meeting, copy and complete mailing of May minutes.

By request of the Bureau of Reclamation in Denver, find 1922 plans of new River improvement, specifically the elevations of the top of the northerly concrete slope paving along with profile of stream bed elevations, from Dry Creek to Santa Fe Avenue; then make one copy of each plan sheet, including one copy of each plan sheet showing top of levee elevation; and mail and deliver plans to Bureau and the Public Works Dept. at the City of Pueblo.

Attend two functions at the HARP regarding new Plans for additional improvements and celebrations. Visited with Steve Arveschoug at each for expected participation by PCD (If any).

Attend June Meeting of the Board of Directors, followed by two deposits in Vectra Bank.

Prepare Job Description, Detailed activity sheet, billing for work done (Basic \$400) and Rent and Storage fees.

Prepared new and up to date information at U.S. Postoffice on P. O. Box Rent and made an advance payment of one years fees.



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

min B/K

June 2, 2004

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 2004 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 2004. 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, 2004 and 2003, 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 disclose 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. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement.

Our fees for these services are as follows:

Compiled financial statements and monthly accounting – A monthly fee of \$200, payable each month upon completion of the prior month’s work;

and

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

We appreciated the opportunity to be of service to you 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 this letter below and return to us. 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, Daveline & Goodrich, PC

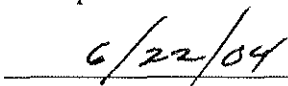


Larry A. Daveline, CPA
Shareholder

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

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, 2004 and December 31, 2003, and the related comparative statement of revenue and expenditures – actual and budget – general fund for the one month and six months ended June 30, 2004, and the twelve months ended December 31, 2003, 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, 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

July 8, 2004

PUEBLO CONSERVANCY DISTRICT
BALANCE SHEET - GENERAL FUND ONLY
JUNE 30, 2004 AND DECEMBER 31, 2003

	<u>6/30/2004</u>	<u>12/31/2003</u>
ASSETS		
VECTRA BANK CHECKING	\$ 7,265	\$ 3,483
VECTRA BANK MONEY MARKET	6,571	6,564
BROKERAGE MONEY MARKET ACCOUNTS	16,636	23,329
VECTRA BANK CERTIFICATE OF DEPOSITS	-	80,000
FNB COLORADO CERTIFICATE OF DEPOSIT	-	112,360
COLOTRUST INVESTMENT	25,000	25,000
WACHOVIA SECURITIES INVESTMENT	686,050	487,717
PIPER JAFFRAY INVESTMENT	351,442	361,730
ACCRUED INTEREST	11,329	11,329
BOOK INVENTORY	<u>6,429</u>	<u>6,429</u>
 TOTAL ASSETS	 <u>\$ 1,110,722</u>	 <u>\$ 1,117,941</u>
 LIABILITIES AND FUND EQUITY		
ACCOUNTS PAYABLE	\$ -	\$ 306
PAYROLL TAXES PAYABLE	<u>41</u>	<u>82</u>
 TOTAL LIABILITIES	 <u>41</u>	 <u>388</u>
 RESERVE FOR EMERGENCIES	 6,000	 6,000
DESIGNATED FOR SUBSEQUENT		
YEAR'S EXPENDITURES	52,090	74,090
UNDESIGNATED	<u>1,052,591</u>	<u>1,037,463</u>
 TOTAL FUND EQUITY	 <u>1,110,681</u>	 <u>1,117,553</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,110,722</u>	 <u>\$ 1,117,941</u>

SEE ACCOUNTANTS' COMPILATION REPORT

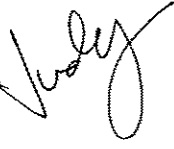
PUEBLO CONSERVANCY DISTRICT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
ACTUAL AND BUDGET - GENERAL FUND
FOR THE ONE AND SIX MONTHS ENDED JUNE 30, 2004
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2003

	<u>ACTUAL</u>				
	<u>CURRENT</u>	<u>YEAR</u>	<u>2004</u>	<u>UNUSED</u>	<u>2003</u>
	<u>MONTH</u>	<u>TO DATE</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES					
INTEREST INCOME					
CERTIFICATES OF DEPOSIT	\$ 1,307	\$ 8,049	\$ -	\$ -	\$ 15,649
COLOTRUST	39	117	-	-	861
MONEY MARKET ACCOUNTS	23	61	-	-	231
WACHOVIA SECURITIES	1,914	12,903	-	-	15,031
PIPER JAFFRAY	1,190	7,232	-	-	13,831
UNREALIZED GAINS (LOSSES)	(408)	(18,637)	-	-	(33,726)
TOTAL INTEREST INCOME	4,065	9,725	58,000	48,275	11,877
LEASE PAYMENTS	-	100	500	400	-
OTHER INCOME	-	-	3,500	3,500	1,043
COST OF SALES	-	-	(500)	(500)	(800)
TOTAL REVENUES	\$ 4,065	\$ 9,825	\$ 61,500	\$ 51,675	\$ 12,120
EXPENDITURES					
80 LEGAL FEES	\$ 300	\$ 1,800	\$ 3,600	\$ 1,800	\$ 3,600
81 DIRECTORS FEES	180	960	3,000	2,040	2,160
82 FICA TAXES	-	32	240	208	165
83 ENGINEER/ADMINISTRATIVE	400	2,400	4,800	2,400	4,800
90 AUDIT & BOOKKEEPING	200	1,000	2,100	1,100	2,400
92 INSURANCE/BONDS	300	2,344	2,000	(344)	1,143
96 OFFICE EXPENSE	-	100	650	550	587
97 OFFICE RENT	100	600	1,200	600	1,200
100 PROFESSIONAL FEES	-	-	5,000	5,000	2,766
103 TRAVEL	-	-	500	500	-
105 REPAIRS & MAINTENANCE	104	7,411	45,000	37,589	18,199
108 CONTINGENCIES	-	-	500	500	-
109 EMERGENCY REPAIR	-	-	20,000	20,000	-
110 CAPITAL IMPROVEMENTS	-	-	25,000	25,000	-
111 PLANNING & DEVELOPMENT	-	-	-	-	-
112 HARP - O & M	-	-	-	-	-
113 SALES TAX	-	50	-	(50)	115
TOTAL EXPENDITURES	1,584	16,697	113,590	96,893	37,135
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,481	\$ (6,872)	\$ (52,090)	\$ (45,218)	\$ (25,015)

SEE ACCOUNTANTS' COMPILATION REPORT

Memo

To: Kathy Farley

From: Judy Kochevar 

CC: Ray Koester

Date: June 21, 2002

Re: HARP Book

Ray Romero of My Friend the Printer gave me the attached information regarding the revised price on the HARP book.

As the book appears now, the total cost (with pretty generous discounts included) is \$6,150. The difference between the original "ballpark" quote and the current cost is listed as follows:

1) Booklet Cover	\$ 350	\$ 550 (with lamination)
2) Colored Pages (8)	\$ 790	\$1750 (13)
3) B&W Pages (88)	\$2000	\$2500 (112)
4) Typesetting (100 pages)	<u>\$ 900</u>	<u>\$1350 (136)</u>
Total	\$4040	\$6150

Explanation of charges:

- 1) Laminated versus non-laminated cover (Ray is not charging for added color pictures)
- 2) Some of the additional colored pages can be subtracted at \$75 per page
- 3) An additional charge of \$400 due to the number of legal documents
- 4) An additional charge of \$400 was incurred due to the scanning of the legal documents

Kathy, there are places to cut, if necessary. Please peruse the attached price quotes and call me at 546-8142 to give me your input on the book price and the book overall. Thank you.



*My Friend,
The Printer, Inc.*

INSTANT PRINT CENTER
410 W. 5th St. Pueblo, CO 81003
542-FAST

Quotation 15242

06/14/02

**Judy Kochevar
Pueblo Conservancy District
111 E 5th
Pueblo CO 81003**

Ship To:

< Same as Bill To >

Pickup

Acct.No	Ordered By	Phone	Fax	P.O. No	Prepared By	Sales Rep
2160	Judy Kochevar	671-3566			Ray	Ray
Quantity	Description					Price
	Thank you for the opportunity.					
500	A Pueblo Story "H A R P " Cover					550.00
500	13 Color pages for A Pueblo Story "H A R P " (6 orig)					1750.00
500	112 Black & White Pages for A Pueblo Story "H A R P " (28 orig)					2500.00
136	Typesetting / Layout And Scanning 136 Page Book					1350.00
Terms		Subtotal	Shipping	Postage	Tax	Total
C.O.D.		6150.00	0.00	0.00	0.00	6150.00

DESCRIPTION OF WORK

<u>MARCH</u>	<u>2004</u>	<u>ENGINEER</u>	<u>ADMINISTRATIVE</u>	<u>CLERICAL</u>
Special Work on Arkansas Corps of Eng. Restor. (Legacy) inspection; Work on reviewing City relocation construction.	2.0 hrs**	2.0 hrs**	0 hrs	
Prepare bids on CD's (or Treas.) and arrange purchse	0.0 hrs.	2.0 hrs.	1.0 hr	
Books, Minutes, Budget &	4.0 hrs.	8.0 hrs	8.0 hrs	
Agenda, Treasurers Report and Book Maintenance & Correspondence	0 hrs	4.0 hrs	2.0 hrs	
Directors's meetings	1.0 hr	1.0 hr	1.0 hr	
	7.0 hrs	17.0 hrs	12.0 hrs	

** Work completed toward Legacy
Project (City) and re-location of
big inch sewer line (to be billed
later).

October 2003	2.0 hrs. Eng	2.0 hrs. Admin.	0 hr& Clerical
November	2.0 hrs.	2.0 hrs.	0 hr
December	2.0 hrs	2.0 hrs.	0 hr
January	.0 hrs	.0 hrs,	hr
February	.0 hrs	.0 hrs.	hr
March	.0 hrs	.0 hrs.	hr

klhForm.721 (o)

DESCRIPTION OF WORK

<u>FEBRUARY</u>	<u>2004</u>	<u>ENGINEER</u>	<u>ADMINISTRATIVE</u>	<u>CLERICAL</u>
Special Work on Arkansas Corps of Eng. Restor. (Legacy) inspection; Work on reviewing City relocation construction.	2.0 hrs**	2.0 hrs**	0 hrs	
Prepare bids on CD's (or Treas.) and arrange purchase	0.0 hrs.	2.0 hrs.	1.0 hr	
Books, Minutes, Budget &	4.0 hrs.	8.0 hrs	8.0 hrs	
Agenda, Treasurers Report and Book Maintenance & Correspondence	0 hrs	4.0 hrs	2.0 hrs	
Directors's meetings	1.0 hr	1.0 hr	1.0 hr	
	7.0 hrs	17.0 hrs	12.0 hrs	

** Work completed toward Legacy
Project (City) and re-location of
big inch sewer line (to be billed
later).

October 2003	2.0 hrs. Eng	2.0 hrs. Admin.	0 hr& Clerical
November	2.0 hrs.	2.0 hrs.	0 hr
December	2.0 hrs	2.0 hrs.	0 hr
January	.0 hrs	.0 hrs,	hr
February	.0 hrs	.0 hrs.	hr

klhForm.721 (o)

DESCRIPTION OF WORK

<u>JANUARY</u>	<u>2003</u>	<u>ENGINEER</u>	<u>ADMINISTRATIVE</u>	<u>CLERICAL</u>
Special Work on Arkansas Corps of Eng. Restor. (Legacy) inspection; Work on reviewing City relocation construction.	2.0 hrs**	2.0 hrs**	0 hrs	
Prepare bids on CD's (or Treas.) and arrange purchase	0.0 hrs.	2.0 hrs.	1.0 hr	
Books, Minutes, Budget &	4.0 hrs.	8.0 hrs	8.0 hrs	
Agenda, Treasurers Report and Book Maintenance & Correspondence	0 hrs	4.0 hrs	2.0 hrs	
Directors's meetings	1.0 hr	1.0 hr	1.0 hr	
	7.0 hrs	17.0 hrs	12.0 hrs	

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December	2.0 hrs	2.0 hrs.	0 hr
January	.0 hrs	.0	hr

klhForm.721 (o)

----- I N V O I C E -----

THE PUEBLO CONSERVANCY DISTRICT
P. O. Box 234
Pueblo, CO 81002

Date: January 31, 2004

Invoice No.

For Engineering and Administrative charges for the month of
January 2004; (See detailed description of work)

Regular Eng/Admin Fee = \$400.00 (83)

TOTAL THIS INVOICE: \$400.00

BBCKO PC

BANNER,
BOWER,
CHOSTNER,
KWITEK,
& OHLSEN, P.C.

LAW OFFICES

601 N. MAIN ST., SUITE 200

P. O. BOX 1423

PUEBLO, COLORADO 81002-1423

PHONE: (719) 544-5081

FAX: (719) 546-3457

DONALD J. BANNER

MARCH 2, 2004

Mr. Raymond F. Koester
Pueblo Conservancy District
P. O. Box 234
Pueblo, CO 81002

Re: Colorado Outdoor Performing Arts Association

Dear Ray:

Enclosed please find the revised Lease with Option. Thanks for getting me the revised Exhibit "B". Please cause a copy of this to be sent to all of the directors for their review in advance of the meeting.

Very truly yours,



Donald J. Banner

DJB/tr

Enclosure

LEASE WITH OPTION

THIS AGREEMENT is entered into this ____ day of March, 2004, by and between the **PUEBLO CONSERVANCY DISTRICT**, whose mailing address is P.O. Box 234, Pueblo, Colorado 81002, hereinafter referred to as "Lessor" and the **COLORADO OUTDOOR PERFORMING ARTS ASSOCIATION**, whose mailing address is P.O. Box 4440, Pueblo, Colorado 81003, hereinafter referred to as "Lessee".

For and in consideration of the following mutual covenants and conditions, the parties agree as follows:

1. Lessor hereby leases to Lessee the real property and improvements in Pueblo County, Colorado described on Exhibits "A" and "B" attached hereto and incorporated herein by reference, together with access for ingress and egress purposes across adjacent Conservancy District lands to public right-of-ways. This Lease is subject to Lessor's continued right to use the leased property for flood control purposes.

2. The term of this agreement shall be for a five-year period commencing on the date hereof and terminating five years from the date hereof.

3. Lessee agrees to pay Lessor the sum of One Hundred Dollars (\$100.00) per year for each year during the term hereof, the receipt for which is hereby acknowledged.

4. The parties acknowledge that the Lessee desires to develop the leased property and other property owned or controlled by Lessee into an outdoor theater complex. Lessee has estimated that it will take approximately Two Million Dollars to construct and develop the outdoor theater complex. Lessor is willing to allow the use of the leased property for this purpose and for purposes related to this use, but for no other use or purpose; Lessee agrees that the property shall only be used for an outdoor theater complex.

5. At such time during the term hereof as Lessee can demonstrate to Lessor's satisfaction that Lessee has acquired cash, grants or pledges totaling Two Million Dollars, Lessor grants Lessee the option to purchase the leased property described on Exhibit "B" at a purchase price of \$10,500.00, to be paid in cash or certified funds or on such other terms as may be acceptable to Lessor. This option must be exercised in writing by written notice to Lessor accompanied by a written statement from the Board of Directors of Lessee to the effect that Two Million Dollars in cash, grants or pledges have been obtained. Thereafter, Lessor shall have 30 days within which to request such additional documentation and review such records of Lessee as Lessor deems necessary to verify the Two Million Dollars financial commitment. Should Lessor determine that the Two Million Dollar financial commitment has been obtained by Lessee, the closing shall take place within 30 days thereafter, provided however, Lessor shall have no obligation to provide title work to Lessee and the conveyance shall be by Quit Claim Deed subject to a reservation for the benefit of Lessor and Lessor's successors and assignees that Lessor reserves the right to use said property for flood control purposes. The Quit Claim Deed shall include a right of reverter should the property ever fail to be used for an outdoor performing arts center.

Should this option be exercised by Lessee, Lessor agrees to continue to lease to Lessee, the real property described on Exhibit "A" for \$100.00 per year for 99 years, subject to Lessor's right to use the property for flood control purposes.

6. Lessee agrees to make no claims against Lessor for any damage that Lessee may suffer of any kind at any time, which results from the Lessee's use of the property described herein.

7. Lessee shall indemnify and hold Lessor harmless for any claims made against Lessor as a result of Lessee's use of the property described herein, including claims from trespassers or invitees of Lessee.

8. Lessee shall make no improvements to the property described herein without the written consent of Lessor, which consent shall not be unreasonably withheld.

9. This Lease and option is non-assignable and nontransferable and any attempt to transfer the interest of Lessee shall be null and void.

10. Lessee acknowledges that part of the leased property may be subject to a Lease Agreement with the Department of Natural Resources for the use and benefit of the Division of Wildlife and Wildlife Commission.

11. In the event either party to this agreement breaches any of the terms or conditions hereof, the non-breaching party shall be entitled to reasonable attorney's fees and costs in enforcing the non-breaching party's right pursuant to this agreement.

**COLORADO OUTDOOR PERFORMING
ARTS ASSOCIATION**

PUEBLO CONSERVANCY DISTRICT

By _____
President

By _____
G.F. Sandstrom, President

By _____
Secretary

By _____
Kathleen Farley, Secretary

EXHIBIT A

(LEASE ONLY)

A parcel of land situated in the NW1/4 NE1/4 and the NE1/4 NW1/4 of Section 6, Township 21 South , Range 64 West of the 6th Principal Meridian, in Pueblo County, Colorado, said parcel being a portion of the certain parcel of land conveyed by a deed dated December 29, 1951 from the Fountain Sand and Gravel Co., a Colorado Corporation , to the Pueblo Conservancy District, a Public Corporation, recorded on December 29, 1951 in Book 1172 at page 64 in the records office of Pueblo County, AND a portion of the 150 foot wide Old Arkansas River Channel, owned by the Pueblo Conservancy District , more particularly described as follows: Commencing at the most northerly corner of the said Fountain Sand parcel, that is on the south right-of- way line of the former Missouri Pacific Railroad Co. (Now Union Pacific Railroad Company), whence the North one-quarter corner of said Section 6, bears North 26-45 East, a distance of 567.0 feet; thence South 24-09 East, and along the westerly boundary line of said former Fountain Sand parcel (also the easterly line of the Old Arkansas River Channel) a distance of 230 feet, and POINT OF BEGINNING of the herein described parcel of land; thence South 65-51 West a distance of 125 feet; thence South 24-09 East a distance of about 75 feet, to the center-line of the existing Pueblo Conservancy District's flood protection levee, as presently located; thence Southeasterly, along the said centerline of the levee, and that line extended, approximately 735 feet to an easterly an easterly boundary line of the said former Fountain Sand parcel, 100 feet southerly of the northerly line of said parcel and the southerly right-of-way line of a spur track to the south of the said former Union Pacific right-of-way; thence in a Northwesterly direction in a straight line a distance of approximately 615 feet to a point on the westerly line of said former Fountain Sand parcel that lies a distance of 30.0 feet Southerly of the Point of Beginning of this parcel; thence North 24-09 West a distance of 30.00 feet to the POINT OF BEGINNING of this parcel. (Containing approximately 0.57 acre.)

EXHIBIT B

(LEASE/PURCHASE)

A parcel of land situated in the NW1/4 NE1/4 and the NE1/4 NW1/4 of Section 6, Township 21 South , Range 64 West of the 6th Principal Meridian, in Pueblo County, Colorado, said parcel being a portion of the certain parcel of land conveyed by a deed dated December 29, 1951 in Book 1172 at page 64 in the recorders office of Pueblo County, AND all of the railroad right-of-way, deeded by the Union Pacific Railroad Company (formerly the Missouri Pacific Railroad Co.), to the Pueblo Conservancy District, by a Quitclaim Deed , with a Reception No. 1416165, Pages 1, 2 and 3, recorded on February 19, 2002 in the recorders office of Pueblo County, Colorado ; and a parcel of land northerly and adjacent to the Union Pacific right-of-way , having been deeded from the American Smelting and Refining Co. To the Pueblo State Line Railroad Company (predessor to the Union Pacific), recorded in April 30, 1901 in Book 26 at page 250 in the recorders office of Pueblo County Colorado; ALL more particularly described as follows: BEGINNING at the northeast corner of the said Fountain Sand parcel, that is on the south right-of-way of the former Union Pacific Railroad right-of-way, whence the North One-Quarter Corner of said Section 6, bears North 26-45 East, a distance of 567.0 feet; thence North 40-57 West along the said boundary a distance of 158 feet more or less, to the northerly right of way line of the said Mo. Pac. Ry, main line; thence easterly curving to the left with a radius of 1860 feet, along said right of way line a distance of 382 feet, more or less, to the North-South centerline of said Section 6; thence North along said centerline of said Section 6, North 01-09 East, a distance of 55.00 feet; thence easterly curving to the left, with a radius of 555 feet, a distance of 228 feet; thence S. 78-59 East a distance of 158.8 feet; thence easterly curving to the left , with a radius of 669.8 feet, a distance of 333.70 feet to the westerly right-of-way line of the Colo & Southern Ry. Main line; thence S. 28-08 West, along said Colo & Southern Ry. Right-of-way line a distance of 100 feet more or less, to the southerly right-of-way line of the said Mo. Pac. Ry. Main line; thence westerly curving to the right with a radius of 1960 feet, along said right-or-way line a distance of 350 feet, more or less to the intersection of the south line of the Union Pacific railroad right-of-way, and the southerly line of a spur track; thence on a curve to the right and southerly, with a radius of 593.42 feet , a distance of 65 feet, more or lesss, to the northeast corner of the said former Fountain Sand parcel; thence South 01-30 East, a distance of

113.33 feet; thence westerly in a straight line through the said former Fountain Sand Parcel, approximately 615 feet to the westerly boundary of the said former Fountain Sand Parcel; thence North 24-09 West, a distance of 260 feet to the northeast corner of the said former Fountain Sand Parcel, and the POINT OF BEGINNING of this parcel. (Containing approximately 6 Acres.)

PCO
3-10-04

7:30

Haynes & Sandstein

+ Berman & Koster

V.H. Kimball of Whately Allowing Berman.

Minutes OK

Trans. ~~Report~~ Report.

Jim and Dale.

Moved to review to file -

+ Pay made Birds -

OK

(2 checks for V. Haynes in appt.)

2- to Copan
1/2 hour

1- Berman

1- PCO
min.

S. moved to review lease to CopAA

OK

List of names - to George main.

Replacement in V. Haynes

Walk - April 15 (Thurs)

fair @ 9:00^{AM}

adj. @ 8:00 a

mtg - April 13 @ 7:30 a

@ 12:00

for walk - map -
Shuttle between H. Pingen & Sandstein
April 12, 10.

Rel - New
- Sign sheet
@ 12:00