

## MINUTES OF THE NOVEMBER 29, 2006 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom; Haynes

Also Present: Administrator Rick Kidd

With a quorum present, the Pueblo Conservancy District board meeting was called to order at 8:17 am.

The Minutes of the October 18, 2006 Regular Meeting were reviewed. Haynes moved to approve the Minutes. The Minutes were approved as posted.

### Treasurer's Report:

The accountant's reports for October were reviewed. Haynes moved to receive and file the October reports. Motion passed.

Bills – The following bills were posted for review and approval

|           |                                               |
|-----------|-----------------------------------------------|
| \$ 225.00 | MBD&G, Accountant fees                        |
| \$ 118.91 | Aquila, Electricity                           |
| \$ 300.00 | Don Banner, Attorney fees                     |
| \$ 400.00 | Kidd Engineering, Administrator/Engineer fees |
| \$ 55.41  | Sandstrom, Director's Fee                     |
| \$ 55.41  | Haynes, Director's Fee                        |
| \$ 55.41  | Farley, Director's Fee                        |
| \$ 23.52  | Pueblo Chieftain, Budget Hearing Notice       |
| \$ 35.00  | Vectra Bank, Safe Deposit Box Rental          |

Haynes moved to approve payment of the monthly bills. Motion passed.

District Appraisal – Sandstrom reported that the Rio Grand Conservancy District is not to the appraisal process yet. Their attorney, Dave Robbins, is to call him. Sandstrom said that there were no criteria established for the appraisers in the court order for the original appraisal. The September 22, 1923 appraisal of benefits was \$9,496,910, with a construction value of \$4,000,000. After a project was completed in March of 1993 the court order has a valuation of \$5,078,690 for improvements. Sandstrom asked if we could include the improvement costs for the Legacy and Fishing is Fun projects, Runyon Lake improvements, and costs for repairs and roads. Furthermore, can we use the entire cost of the projects or just the Conservancy District's share? Sandstrom suggested that we offer Judge Maes six appraiser candidates with backgrounds in construction, real estate, and insurance. Kidd is to compile the costs of all the projects since 1993, including the City's paid improvements.

Future Meetings – The following dates were proposed for the future meetings:

|                   |               |
|-------------------|---------------|
| February 14, 2007 | May 23, 2007  |
| March 14, 2007    | June 20, 2007 |
| April 18, 2007    |               |

The final decision on these dates is to be made at the December 13 meeting. The January meeting has already been scheduled for the 17<sup>th</sup>.

Planning Session – The January 17 meeting will be a planning session for the District's valuation and appraiser candidates. The Board needs to be prepared for this to be a longer meeting.

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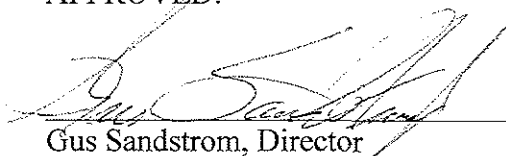
4<sup>th</sup> Street Bridge – CDOT has offered \$2078 for the easements they requested. This is well below the approximate \$5000 that was in their original correspondence. Kidd reported that he attended a “90 Percent Completion” plan review meeting and that CDOT’s plan was for the individual contractors to make arrangements with the City and the Conservancy District for access and staging area easements. After discussion, it was agreed that the Board wants the arrangements for access and staging areas to be a part of the agreement with CDOT. Sandstrom is to request that a CDOT representative attend our December 13 meeting to discuss this issue. Kidd is to invite the City to attend this meeting also.

Levee Piping – Kidd is to invite Scott Hobson, from the City of Pueblo, to attend the meeting when the Army Corps of Engineers representatives come to meet with us.

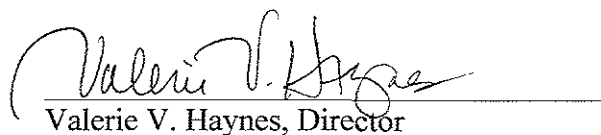
The next meeting is set for December 13 at 8:00 am. The January meeting is scheduled for the 17th.

There being no further business to come before the Board, the meeting was adjourned at 8:55 a.m.

APPROVED:

  
Gus Sandstrom, Director

  
Kathleen Farley, Director

  
Valerie V. Haynes, Director

THE PUEBLO CONSERVANCY DISTRICT

NOTICE OF MEETING

DATE: NOVEMBER 29, 2006 (Wednesday) AT 8:00 A.M.

PLACE: SOUTHEASTERN COLORADO HERITAGE CENTER,  
201 WEST B STREET, PUEBLO, COLORADO

AGENDA

1. ROLL CALL
2. APPROVAL OF OCTOBER 18, 2006 MINUTES
3. TREASURER'S REPORT
  - a. OCTOBER 2006 ACCOUNTANT'S REPORTS
  - b. PAYMENT OF BILLS
4. FUNDING STRATEGY
5. OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE BOARD
6. ADJOURNMENT

*4th Street Bridge Easement*

## MINUTES OF THE OCTOBER 18, 2006 REGULAR MEETING OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Sandstrom; Farley; Haynes

Also Present: Counselor Don Banner; Administrator Rick Kidd

With a quorum present, the Pueblo Conservancy District board meeting was called to order at 8:02 am.

The Minutes of the September 28, 2006 Regular Meeting were reviewed. Farley moved to approve the Minutes. The Minutes were approved as posted.

### Treasurer's Report:

The accountant's reports for September were reviewed. Farley moved to receive and file the September reports. Motion passed.

Bills – The following bills were posted for review and approval

|           |                                               |
|-----------|-----------------------------------------------|
| \$ 225.00 | MBD&G, Accountant fees                        |
| \$ 117.65 | Aquila, Electricity                           |
| \$ 300.00 | Don Banner, Attorney fees                     |
| \$ 400.00 | Kidd Engineering, Administrator/Engineer fees |
| \$ 55.41  | Sandstrom, Director's Fee                     |
| \$ 55.41  | Haynes, Director's Fee                        |
| \$ 55.41  | Farley, Director's Fee                        |

Farley moved to approve payment of the monthly bills. Motion passed.

Budget Hearing – Farley discussed the budget adjustments per the September 28 work session. There being no further comments, Farley moved to approve the 2007 budget. Motion passed.

District Appraisal – Sandstrom is looking for old court orders with project values. He hopes to have these orders by the November meeting. Judges Maes told Sandstrom that he will select three appraisers from a list of six potential appraisers provided by the District. Sandstrom is looking for appraiser qualifications from a previous appraisal. The Colorado Special Districts Association told Sandstrom that the Rio Grand Conservancy District is currently going through an appraisal. David Robbins is their attorney. Sandstrom will contact them to learn from their experiences.

Pasquin Access – Kidd provided an update from a meeting on October 14. Pasquins are considering two options. A decision of the route they prefer to take has not been made.

Interstate 25 Routing – Sandstrom reviewed the October 17 meeting he and Kidd attended with CDOT representatives. He presented a picture and a brief discussion about the routing alternatives being considered. CDOT would like to have a joint meeting, probably in January.

Levee Piping – Kidd to try to make direct contact with the Corp of Engineers instead of going through the City. We need to arrange to have a meeting with them and discuss the piping and the impact that we believe the Legacy Project has had on this problem.

Tax Election – Banner reported that the Conservancy District tax election must be held on an odd numbered year. The reference provided was Colorado Statute 1-41-103. A copy of this reference is attached to the minutes.

**RECORD OF PROCEEDINGS**

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October 18, 2006 Minutes, Page 2 of 2

The next meeting is set for November 29 at 8:00 am. Subsequent meetings are scheduled for December 13 and January 17.

There being no further business to come before the Board, the meeting was adjourned at 8:30 a.m.

APPROVED:

\_\_\_\_\_  
Gus Sandstrom, Director

\_\_\_\_\_  
Kathleen Farley, Director

\_\_\_\_\_  
Valerie V. Haynes, Director

NO. 1618



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

740 Thatcher Building

P. O. BOX 918

Pueblo, CO 81002-0918

Phone (719) 543-0516

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## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
The Pueblo Conservancy District  
Pueblo, Colorado

We have compiled the accompanying balance sheets – general fund only – of the Pueblo Conservancy District as of October 31, 2006 and December 31, 2005, and the related comparative statements of revenue and expenditures – actual and budget – general fund for the one month and ten months ended October 31, 2006, and the twelve months ended December 31, 2005, 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.

*McPherson, Breyfogle, Daveline & Goodrich, PC*

November 16, 2006

PUEBLO CONSERVANCY DISTRICT  
BALANCE SHEET - GENERAL FUND ONLY  
OCTOBER 31, 2006 AND DECEMBER 31, 2005

|                                                  | <u>10/31/2006</u>       | <u>12/31/2005</u>       |
|--------------------------------------------------|-------------------------|-------------------------|
| ASSETS                                           |                         |                         |
| VECTRA BANK CHECKING                             | \$ 38,833               | \$ 24,754               |
| VECTRA BANK MONEY MARKET                         | 11,570                  | 11,475                  |
| BROKERAGE MONEY MARKET ACCOUNTS                  | 31,293                  | 93,353                  |
| COLOTRUST INVESTMENT                             | 25,000                  | 25,000                  |
| WACHOVIA SECURITIES INVESTMENT                   | 565,492                 | 571,301                 |
| PIPER JAFFRAY INVESTMENT                         | 341,974                 | 343,428                 |
| ACCRUED INTEREST                                 | 5,032                   | 5,032                   |
| BOOK INVENTORY                                   | <u>6,290</u>            | <u>6,290</u>            |
| <br>TOTAL ASSETS                                 | <br><u>\$ 1,025,484</u> | <br><u>\$ 1,080,633</u> |
| LIABILITIES AND FUND EQUITY                      |                         |                         |
| ACCOUNTS PAYABLE                                 | \$ -                    | \$ 740                  |
| PAYROLL TAXES PAYABLE                            | 138                     | 82                      |
| DEFERRED INCOME                                  | <u>1,458</u>            | <u>1,042</u>            |
| <br>TOTAL LIABILITIES                            | <br><u>1,596</u>        | <br><u>1,864</u>        |
| RESERVE FOR EMERGENCIES                          | 6,000                   | 6,000                   |
| DESIGNATED FOR SUBSEQUENT<br>YEAR'S EXPENDITURES | 156,376                 | 111,176                 |
| UNDESIGNATED                                     | <u>861,512</u>          | <u>961,593</u>          |
| <br>TOTAL FUND EQUITY                            | <br><u>1,023,888</u>    | <br><u>1,078,769</u>    |
| <br>TOTAL LIABILITIES AND FUND EQUITY            | <br><u>\$ 1,025,484</u> | <br><u>\$ 1,080,633</u> |

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT  
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -  
ACTUAL AND BUDGET - GENERAL FUND  
FOR THE ONE AND TEN MONTHS ENDED OCTOBER 31, 2006  
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2005

|                                                      | <u>ACTUAL</u>   |                    |                     |                     |                    |
|------------------------------------------------------|-----------------|--------------------|---------------------|---------------------|--------------------|
|                                                      | <u>CURRENT</u>  | <u>YEAR</u>        | <u>2006</u>         | <u>UNUSED</u>       | <u>2005</u>        |
|                                                      | <u>MONTH</u>    | <u>TO DATE</u>     | <u>BUDGET</u>       | <u>BUDGET</u>       | <u>ACTUAL</u>      |
| REVENUES                                             |                 |                    |                     |                     |                    |
| INTEREST INCOME                                      |                 |                    |                     |                     |                    |
| COLOTRUST                                            | \$ 106          | \$ 985             | \$ -                | \$ -                | \$ 782             |
| MONEY MARKET ACCOUNTS                                | 157             | 1,263              | -                   | -                   | 2,346              |
| WACHOVIA SECURITIES                                  | 2,216           | 26,414             | -                   | -                   | 25,159             |
| PIPER JAFFRAY                                        | 1,080           | 11,212             | -                   | -                   | 13,529             |
| UNREALIZED GAINS (LOSSES)                            | <u>(1,200)</u>  | <u>69</u>          | <u>-</u>            | <u>-</u>            | <u>(22,500)</u>    |
| TOTAL INTEREST INCOME                                | 2,359           | 39,943             | 40,000              | 57                  | 19,316             |
| LEASE PAYMENTS                                       | 208             | 2,283              | 2,500               | 217                 | 2,499              |
| OTHER INCOME                                         | -               | -                  | -                   | -                   | 10,180             |
| COST OF SALES                                        | <u>-</u>        | <u>-</u>           | <u>-</u>            | <u>-</u>            | <u>(138)</u>       |
| TOTAL REVENUES                                       | \$ 2,567        | \$ 42,226          | \$ 42,500           | \$ 274              | \$ 31,857          |
| EXPENDITURES                                         |                 |                    |                     |                     |                    |
| 80 LEGAL FEES                                        | \$ 300          | \$ 7,933           | \$ 3,600            | \$ (4,333)          | \$ 3,600           |
| 81 DIRECTORS FEES                                    | 180             | 1,800              | 2,160               | 360                 | 2,160              |
| 82 FICA TAXES                                        | -               | -                  | 166                 | 166                 | 165                |
| 83 ENGINEER/ADMINISTRATIVE                           | 400             | 3,600              | 4,800               | 1,200               | 4,800              |
| 90 AUDIT & BOOKKEEPING                               | 225             | 2,025              | 2,700               | 675                 | 2,700              |
| 92 INSURANCE/BONDS                                   | -               | 2,034              | 2,500               | 466                 | 1,616              |
| 96 OFFICE EXPENSE                                    | -               | 205                | 650                 | 445                 | 271                |
| 97 OFFICE RENT                                       | -               | 1,420              | 1,800               | 380                 | 1,984              |
| 100 PROFESSIONAL FEES                                | -               | 3,462              | 5,000               | 1,538               | 751                |
| 103 TRAVEL                                           | -               | -                  | -                   | -                   | -                  |
| 105 REPAIRS & MAINTENANCE                            | 118             | 24,628             | 80,000              | 55,372              | 22,991             |
| 108 CONTINGENCIES                                    | -               | -                  | 500                 | 500                 | -                  |
| 109 EMERGENCY REPAIR                                 | -               | -                  | 20,000              | 20,000              | -                  |
| 110 CAPITAL IMPROVEMENTS                             | -               | -                  | 25,000              | 25,000              | 845                |
| 111 PLANNING & DEVELOPMENT                           | -               | -                  | -                   | -                   | -                  |
| 112 HARP - O & M                                     | -               | 50,000             | 50,000              | -                   | 50,000             |
| 113 SALES TAX                                        | <u>-</u>        | <u>-</u>           | <u>-</u>            | <u>-</u>            | <u>-</u>           |
| TOTAL EXPENDITURES                                   | <u>1,223</u>    | <u>97,107</u>      | <u>198,876</u>      | <u>101,769</u>      | <u>91,883</u>      |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>\$ 1,344</u> | <u>\$ (54,881)</u> | <u>\$ (156,376)</u> | <u>\$ (101,495)</u> | <u>\$ (60,026)</u> |

SEE ACCOUNTANTS' COMPILATION REPORT

PUEBLO CONSERVANCY DISTRICT  
INVESTMENTS  
10/31/2006

11/16/2006 9:33 AM

| <u>BROKER</u>                    | <u>DESCRIPTION</u>                     | <u>MATURITY<br/>DATE</u> | <u>RATE</u> | <u>PAR<br/>VALUE</u> | <u>BALANCE<br/>12/31/2005</u> | <u>ADDITIONS</u> | <u>MKT VALUE<br/>CHANGE</u> | <u>REDEMPTION<br/>SALES</u> | <u>BALANCE<br/>12/31/2006</u> | <u>INTEREST<br/>RECEIVED<br/>12/31/2006</u> |
|----------------------------------|----------------------------------------|--------------------------|-------------|----------------------|-------------------------------|------------------|-----------------------------|-----------------------------|-------------------------------|---------------------------------------------|
| <u>CASH ACCOUNTS</u>             |                                        |                          |             |                      |                               |                  |                             |                             |                               |                                             |
| VECTRA BANK                      | Money Market Account                   |                          |             |                      | 11,474.56                     | 95.10            | -                           | -                           | 11,569.66                     | 95.10                                       |
| PIPER JAFFRAY                    | Money Market Account                   |                          |             |                      | 5,678.95                      | 2,417.67         | -                           | -                           | 8,096.62                      | 236.77                                      |
| WACHOVIA SEC.                    | Evergreen Money Mkt Fund               |                          |             |                      | 87,673.99                     | 288,904.04       | -                           | 303,376.10                  | 73,201.93                     | 930.50                                      |
| TOTAL CASH ACCOUNTS WITH BROKERS |                                        |                          |             |                      | 104,827.50                    | 291,416.81       | -                           | 303,376.10                  | 92,868.21                     | 1,262.37                                    |
| <u>INVESTMENTS</u>               |                                        |                          |             |                      |                               |                  |                             |                             |                               |                                             |
| COLOTRUST                        | Acct. 7081 - PLUS                      |                          | 6.240%      |                      | 25,000.00                     | -                | -                           | -                           | 25,000.00                     | 985.32                                      |
| TOTAL COLOTRUST                  |                                        |                          |             |                      | 25,000.00                     | -                | -                           | -                           | 25,000.00                     | 985.32                                      |
| WACHOVIA SEC.                    | FNMA 05-27 GA REMIC MULTICLASS CMO     | 4/25/2034                | 5.500%      | 450,000.00           | 271,260.34                    | -                | 6,505.20                    | 150,570.38                  | 127,195.16                    | 10,551.65                                   |
|                                  | FHLMC 3040 CA REMIC MULTICLASS CMO     | 9/15/2019                | 5.000%      | 108,000.00           | 93,900.44                     | -                | (2,699.80)                  | 91,200.64                   | -                             | 1,901.96                                    |
|                                  | FNMA 03-52 BD REMIC MULTICLASS CMO     | 3/25/2033                | 5.500%      | 28,000.00            | 27,732.04                     | -                | (400.94)                    | 27,331.10                   | -                             | 633.10                                      |
|                                  | FHLMC 2646 LL RETAIL LOTTERY           | 8/15/2033                | 5.000%      | 78,000.00            | 32,888.88                     | -                | (144.36)                    | -                           | 32,744.52                     | 1,654.17                                    |
|                                  | FHLMC 2688 DD RETAIL LOTTERY           | 11/15/2033               | 5.500%      | 36,000.00            | 35,844.84                     | -                | (984.96)                    | -                           | 34,859.88                     | 1,815.00                                    |
|                                  | FHLMC 2804 UC REMIC MULTICLASS CMO     | 11/15/2033               | 6.000%      | 8,000.00             | 181.59                        | -                | (0.57)                      | 181.02                      | 0.00                          | 3.10                                        |
|                                  | FHLMC 3004 GG RETAIL LOTTERY           | 7/15/2034                | 5.000%      | 80,000.00            | 75,336.00                     | -                | 794.75                      | 5,000.00                    | 71,130.75                     | 3,654.13                                    |
|                                  | FHLMC 3133 MB REMIC MULTICLASS CMO     | 3/15/2036                | 6.000%      | 150,000.00           | -                             | 152,368.50       | (2,881.50)                  | -                           | 149,487.00                    | 4,525.00                                    |
|                                  | FNMA 05-16 WD REMIC MULTICLASS CMO     | 1/25/2035                | 5.000%      | 56,000.00            | 34,157.34                     | -                | (503.96)                    | 13,228.50                   | 20,424.88                     | 1,222.08                                    |
|                                  | GNMA 06-27 WE REMIC MULTICLASS CMO     | 6/20/1936                | 6.000%      | 50,000.00            | -                             | 50,006.00        | (62.50)                     | -                           | 49,943.50                     | 508.33                                      |
|                                  | FHLMC 3230 BB REMIC MULTICLASS CMO     | 4/15/1936                | 5.750%      | 50,000.00            | -                             | 50,006.00        | (299.00)                    | -                           | 49,707.00                     | -                                           |
|                                  | NATIONAL CITY CD                       | 6/15/2007                | 5.150%      | 30,000.00            | -                             | 29,979.90        | 20.10                       | -                           | 30,000.00                     | (55.03)                                     |
| TOTAL WACHOVIA SEC.              |                                        |                          |             |                      | 571,301.47                    | 282,360.40       | (657.54)                    | 287,511.64                  | 565,492.69                    | 26,413.49                                   |
| PIPER JAFFRAY                    | GNMA POOL #24920                       | 6/15/2008                | 8.250%      |                      | 3,032.38                      | -                | 18.47                       | 1,013.05                    | 2,037.80                      | 176.02                                      |
|                                  | FEDL HOME LN MTG CORP FREDDIENOTES B/E | 12/15/2009               | 3.000%      | 120,000.00           | 112,555.20                    | -                | 547.20                      | -                           | 113,102.40                    | 3,000.00                                    |
|                                  | FEDL NATL MTG ASSN INVT NOTES B/E      | 8/20/2010                | 4.000%      | 100,000.00           | 96,480.00                     | -                | 114.00                      | -                           | 96,594.00                     | 3,333.30                                    |
|                                  | FEDL NATL MTG ASSN INVT NOTES B/E      | 6/24/2011                | 4.000%      | 130,000.00           | 124,436.00                    | -                | 201.50                      | -                           | 124,637.50                    | 4,333.30                                    |
|                                  | FHLMC #170217                          | 3/1/2017                 | 8.000%      |                      | 6,924.88                      | -                | (154.43)                    | 1,167.85                    | 5,602.60                      | 369.68                                      |
| TOTAL PIPER JAFFRAY              |                                        |                          |             |                      | 343,428.46                    | -                | 726.74                      | 2,180.90                    | 341,974.30                    | 11,212.30                                   |
| TOTAL INVESTMENTS                |                                        |                          |             |                      | 939,729.93                    | 282,360.40       | 69.20                       | 289,692.54                  | 932,466.99                    | 38,611.11                                   |
| TOTAL ALL ACCOUNTS               |                                        |                          |             |                      | 1,044,557.43                  | 573,777.21       | 69.20                       | 593,068.64                  | 1,025,335.20                  | 39,873.48                                   |

**OCTOBER 2006 - NOVEMBER 2006****RECEIPTS**

| VENDOR                  | ITEM             | AMOUNT      |
|-------------------------|------------------|-------------|
|                         |                  |             |
|                         |                  |             |
| First Clearing, LLC     | Interest Payment | \$ 1,385.83 |
| First Clearing, LLC     | Interest Payment | \$ 250.00   |
| First Clearing, LLC     | Interest Payment | \$ 737.43   |
| UBS                     | Interest         | \$ 1,115.76 |
| Wells Fargo - Colotrust | Dividend         | \$ 109.02   |
|                         |                  |             |
|                         |                  |             |
|                         |                  |             |
|                         |                  | \$ 3,598.04 |

**DEBITS**

| VENDOR                 | ITEM                    | AMOUNT      | CHECK | Code |
|------------------------|-------------------------|-------------|-------|------|
|                        |                         |             |       |      |
| Aquila                 | Electrical Billing      | \$ 118.91   | 3366  | 105  |
| MBDG, PC               | Bookkeeping             | \$ 225.00   | 3367  | 90   |
| Don Banner -- BB&C, PC | Attorney Fees           | \$ 300.00   | 3368  | 80   |
| Kidd Engineering       | Engineer/Admin Fees     | \$ 400.00   | 3369  | 83   |
| Director Sandstrom     | Fees                    | \$ 55.41    | 370   | 81   |
| Director Farley        | Fees                    | \$ 55.41    | 3371  | 81   |
| Director Haynes        | Fees                    | \$ 55.41    | 3372  | 81   |
| Pueblo Chieftain       | Budget Hearing Notice   | \$ 23.52    | 3373  | 96   |
| Vectra Bank            | Safe Deposit Box Rental | \$ 35.00    | 3374  | 96   |
|                        |                         |             |       |      |
|                        |                         | \$ 1,149.75 |       |      |

**PUEBLO CONSERVANCY DISTRICT  
2007 BUDGET**

|                                              | 2004<br>Budget    | 2004<br>Actual   | 2005<br>Budget    | 2005<br>Actual   | 2006<br>Budget    | 2006 Actual<br>to Sep 30, 2006 | PROPOSED<br>2007 BUDGET |
|----------------------------------------------|-------------------|------------------|-------------------|------------------|-------------------|--------------------------------|-------------------------|
| <b>REVENUES</b>                              |                   |                  |                   |                  |                   |                                |                         |
| Interest                                     | \$ 58,000         | \$ 47,597        | \$ 50,000         | \$ 41,816        | \$ 40,000         | \$ 36,314                      | \$ 30,000.00            |
| Leases, Books, Other                         | \$ 3,500          | \$ 5,308         | \$ 2,500          | \$ 12,541        | \$ 2,500          | \$ 2,075                       | \$ 2,500.00             |
| Unrealized Gains                             | \$ -              | \$ 8,273         | \$ -              | \$ (22,500)      | \$ -              | \$ 1,269.00                    | \$ -                    |
| <b>Total Revenues</b>                        | <b>\$ 61,500</b>  | <b>\$ 61,178</b> | <b>\$ 52,500</b>  | <b>\$ 31,857</b> | <b>\$ 42,500</b>  | <b>\$ 39,658</b>               | <b>\$ 32,500.00</b>     |
| <b>EXPENDITURES</b>                          |                   |                  |                   |                  |                   |                                |                         |
| Legal Fees                                   | \$ 3,600          | \$ 3,600         | \$ 3,600          | \$ 3,600         | \$ 3,600          | \$ 7,633                       | \$ 7,000                |
| Directors Fees                               | \$ 3,000          | \$ 2,220         | \$ 2,160          | \$ 2,160         | \$ 2,160          | \$ 1,620                       | \$ 3,000                |
| FICA Taxes                                   | \$ 240            | \$ 170           | \$ 166            | \$ 165           | \$ 166            | \$ -                           | \$ 240                  |
| Engineer/Administrative                      | \$ 4,800          | \$ 4,400         | \$ 4,800          | \$ 4,800         | \$ 4,800          | \$ 3,200                       | \$ 4,800                |
| Audit & Bookkeeping                          | \$ 2,400          | \$ 2,200         | \$ 2,400          | \$ 2,700         | \$ 2,700          | \$ 1,800                       | \$ 3,000                |
| Insurance/Bonds                              | \$ 2,000          | \$ 2,823         | \$ 2,500          | \$ 1,616         | \$ 2,500          | \$ 2,034                       | \$ 2,500                |
| Office Expense                               | \$ 650            | \$ 433           | \$ 650            | \$ 271           | \$ 650            | \$ 205                         | \$ 650                  |
| Office Rent/Storage                          | \$ 1,200          | \$ 1,189         | \$ 1,800          | \$ 1,984         | \$ 1,800          | \$ 1,420                       | \$ 500                  |
| Professional Fees                            | \$ 4,700          | \$ 691           | \$ 5,000          | \$ 751           | \$ 5,000          | \$ 3,462                       | \$ 8,000                |
| Appraisal                                    |                   |                  |                   |                  |                   |                                | \$ 60,000               |
| Travel                                       | \$ 500            | \$ 40            | \$ -              | \$ -             | \$ -              | \$ -                           | \$ 250                  |
| Repairs & Maintenance                        | \$ 45,000         | \$ 21,920        | \$ 45,000         | \$ 22,991        | \$ 80,000         | \$ 24,509                      | \$ 100,000              |
| Piping Repairs                               |                   |                  |                   |                  |                   |                                | \$ 75,000               |
| Contingencies                                | \$ 500            | \$ -             | \$ 500            | \$ -             | \$ 500            | \$ -                           | \$ 500                  |
| Emergency Repairs                            | \$ 20,000         | \$ -             | \$ 20,000         | \$ -             | \$ 20,000         | \$ -                           | \$ 20,000               |
| Capital Improvements                         | \$ 25,000         | \$ -             | \$ 25,000         | \$ 845           | \$ 25,000         | \$ -                           | \$ 25,000               |
| Planning & Development                       | \$ -              | \$ -             | \$ -              | \$ -             | \$ -              | \$ -                           | \$ 5,000                |
| HARP -- O&M                                  | \$ -              | \$ 200           | \$ 50,000         | \$ 50,000        | \$ 50,000         | \$ 50,000                      | \$ 10,000               |
| Sales Tax                                    | \$ -              | \$ 50            | \$ 100            | \$ -             | \$ -              | \$ -                           | \$ -                    |
| <b>Total Expenditures</b>                    | <b>\$ 113,590</b> | <b>\$ 39,936</b> | <b>\$ 163,676</b> | <b>\$ 91,883</b> | <b>\$ 198,876</b> | <b>\$ 95,883</b>               | <b>\$ 325,440</b>       |
| Excess of Revenues Over (Under) Expenditures | \$ (52,090)       | \$ 21,242        | \$ (111,176)      | \$ (60,026)      | \$ (156,376)      | \$ (56,225)                    | \$ (292,940)            |
| Beginning Reserve Fund Balance               | \$ 1,117,553      | \$ 1,117,553     | \$ 1,142,486      | \$ 1,138,795     | \$ 1,142,486      | \$ 1,078,769                   | \$ 1,012,920            |
| Ending Reserve Fund Balance                  | \$ 1,065,463      | \$ 1,138,795     | \$ 1,031,310      | \$ 1,078,769     | \$ 986,110        | \$ 1,022,544                   | \$ 719,980              |