

**MEETING OF THE BOARD OF DIRECTORS OF THE  
SALIDA NATURAL RESOURCE CENTER DEVELOPMENT CORPORATION  
A COLORADO NON-PROFIT CORPORATION**

City Council Chambers  
448 East 1<sup>st</sup> Street  
City of Salida, Colorado  
Tuesday, February 17, 2015 11:00 a.m.

*The NRCDC Board may take action on and of the following agenda items as presented or modified prior to or during the meeting, and items necessary or convenient to effectuate the agenda items.*

- I.** MEETING CALLED TO ORDER
- II.** BOARD OFFICER APPOINTMENTS
- III.** PUBLIC COMMENT
- IV.** APPROVAL OF MINUTES – February 3, 2015
- V.** TREASURER'S REPORT
- VI.** SCHEDULED ITEMS
  - 1. Updates on potential property sales
    - a. Colorado Parks & Wildlife
    - b. Workforce Housing
    - c. Light Industrial
  - 2. Repeal of Property Management Agreement
  - 3. Audit schedule
  - 4. Board Appointments
- VII.** UNSCHEDULED ITEMS
- VIII.** EXECUTIVE SESSION: For the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e). AND THE FOLLOWING ADDITIONAL DETAILS ARE PROVIDED FOR IDENTIFICATION: To discuss negotiations for the possible disposition of land and development opportunities related to Colorado Parks & Wildlife, affordable housing and light industrial uses.
- IX.** REPORT/ACTION ON EXECUTIVE SESSION MATTERS
- X.** ADJOURN

**MINUTES  
OF THE BOARD OF DIRECTORS OF  
SALIDA NATURAL RESOURCE CENTER DEVELOPMENT CORPORATION  
A COLORADO NON-PROFIT CORPORATION**

A meeting of the Corporation was held February 3, 2015, at 448 E. 1<sup>st</sup> Street, Salida, Colorado 81021 beginning at 11:00 a.m. Directors present were Ron Mazzeo, Walt Harder, Jim Miller and Susan Hughes. Ray Kitson arrived at 11:43. Keith Baker, Tim Glenn and Tom Yerkey were absent. Dara MacDonald was also in attendance.

Public Comment: Nancy Dominick and Vern Davis offered public comment.

Approval of Minutes: Minutes of January 20th were unanimously approved. With Harder abstaining.

Treasurer's Report: Miller spoke about the preliminary 2014 Balance Sheet and Profit and Loss statements that were distributed in the packet.

Scheduled Items:

1. Update on potential property sales:
  - a. CO Parks & Wildlife – MacDonald updated that the meeting set for Feb 12th is being rescheduled.
  - b. Workforce Housing – Interviews of the respondents to the RFQ are up next week; hoping to make a recommendation to the NRCDC & City Council for their next meetings.
  - c. Light Industrial – There was discussion about the progress of the proposal. The Board requested that David Martin attend the next meeting or that a written proposal be submitted outlining their intentions.
2. Madison House Presents music festival, Resolution 2015-03 - MacDonald presented the changes proposed regarding the pedestrian bridge. There was Board discussion about the proposed language. Harder made a motion to approve the agreement as proposed with caveat that a minimum \$25,000 payment be made regardless of whether or not the bridge is installed. The Resolution was approved with all in favor.
3. Repeal of Property Management Agreement – Miller introduced the item that will be before the Council for consideration tonight. Melodee Hallett explained her rationale behind bringing the item to the Council. A motion to support keeping the contract in place with the City was approved.
4. Auditor Selection – Miller explained that he and MacDonald have spoken with several auditing firms and they recommend that the Board proceed with Hambin & Associates for no more than \$5,500. It is anticipated that the cost would be less in future years. The Board directed that we proceed with Hambin & Associates for the 2014 audit.
5. Board Appointments – There was discussion about the Council action on January 6<sup>th</sup> to maintain the current positions on the Board for the time being.

Unscheduled Items:

None

Executive Session:

No executive session was held.

Adjourn:

The meeting was adjourned at 12:10 p.m.

The undersigned have executed these minutes effective this 17<sup>th</sup> day of February, 2015.

---

, PRESIDENT

---

DARA MACDONALD, SECRETARY

# HAMBLIN AND ASSOCIATES, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants

---

3082 Evergreen Parkway, Suite 2  
Evergreen, CO 80439  
303-694-2727

---

February 2, 2015

Dara MacDonald  
Salida Natural Resource Center Development Corporation  
Salida, Colorado

We are pleased to confirm our understanding of the services we are to provide for Salida Natural Resource Center Development Corporation (SNRCDC) for the year ended December 31, 2014.

We will audit the financial statements of SNRCDC, which comprise the statement of financial position as of December 31, 2014, the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

## **Audit Objective**

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of SNRCDC's financial statements. Our report will be addressed to governing board of SNRCDC. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

## **Audit Procedures**

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the Organization's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention,

unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

### **Management Responsibilities**

You agree to assume all management responsibilities for the tax services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the organization from whom we determine it necessary to obtain audit evidence. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring the Organization complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Lyman Hamblin is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately March 9, 2015 and issue our report no later than July 31, 2015.

We estimate that our fees for these services will range from \$5,000 to \$5,500 for the audit. You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. but agree that total fees and out of pocket expenses will not exceed \$5,500. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate 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 a copy and return it to us.

Very truly yours,

*Hamblin and Associates, LLC*

RESPONSE:

This letter correctly sets forth the understanding of SNRCDC.

Management signature: 

Title: Treasurer NRCDC

Date: 11 Feb 2015

