

COLORADO WATER CONSERVATION BOARD  
CONSTRUCTION FUND  
Denver, Colorado

FINANCIAL STATEMENTS  
June 30, 2006, 2005 and 2004

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## Accountant's Report

Board of Directors  
Colorado Water Conservation Board  
Denver, Colorado

We have compiled the accompanying statements of net assets of Colorado Water Conservation Board, Construction Fund as of June 30, 2006, 2005 and 2004, and the related statements of revenue, expenses and changes in net assets for the years then ended, and the accompanying supplemental information, which is presented only for additional analysis purposes, 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 and supplemental information, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplemental information and, accordingly, do not express an opinion or any other form of assurance on them.

The financial statements of the Colorado Water Conservation Board, Construction Fund are intended to present the financial position of only that portion of the funds of the Colorado Water Conservation Board that is attributable to the transactions of the Colorado Water Conservation Board, Construction Fund.

Management has elected to omit substantially all of the disclosures, management's discussion and analysis, and the statements of cash flows required by generally accepted accounting principles. If the omitted disclosures, management's discussion and analysis, and statements of cash flows were included in the financial statements, they might influence the user's conclusions about the Colorado Water Conservation Board, Construction Fund's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

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**COLORADO WATER CONSERVATION BOARD**  
**CONSTRUCTION FUND**  
**STATEMENTS OF NET ASSETS**  
**June 30, 2006, 2005 and 2004**  
(See Accountant's Compilation Report)

	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 100,354,402	\$ 78,276,141	\$ 74,676,377
Receivables			
Interest receivable/loans	4,103,422	4,492,808	4,527,931
Loans receivable - Current	6,316,836	6,351,208	5,707,821
Due from Severance Tax Trust Fund	294,904	262,347	262,347
	<u>10,715,162</u>	<u>11,106,363</u>	<u>10,498,099</u>
Total current assets	<u>111,069,564</u>	<u>89,382,504</u>	<u>85,174,476</u>
<b>NONCURRENT ASSETS</b>			
Loans receivable - Long-term	<u>167,206,387</u>	<u>173,894,139</u>	<u>167,971,365</u>
Total noncurrent assets	<u>167,206,387</u>	<u>173,894,139</u>	<u>167,971,365</u>
Total assets	<u><u>\$ 278,275,951</u></u>	<u><u>\$ 263,276,643</u></u>	<u><u>\$ 253,145,841</u></u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 3,981,902	\$ 2,023,191	\$ 1,424,686
Total current liabilities	<u>3,981,902</u>	<u>2,023,191</u>	<u>1,424,686</u>
<b>NET ASSETS</b>			
Restricted			
Restricted for loans	167,206,387	173,894,139	167,971,365
Restricted for authorized projects under contract	12,625,253	19,036,951	26,536,203
Restricted for authorized projects not under contract	29,769,320	27,963,821	53,133,788
Unrestricted	<u>64,693,089</u>	<u>40,358,541</u>	<u>4,079,799</u>
Total net assets	<u>274,294,049</u>	<u>261,253,452</u>	<u>251,721,155</u>
Total liabilities and net assets	<u><u>\$ 278,275,951</u></u>	<u><u>\$ 263,276,643</u></u>	<u><u>\$ 253,145,841</u></u>

**COLORADO WATER CONSERVATION BOARD**  
**CONSTRUCTION FUND**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**Years Ended June 30, 2006, 2005 and 2004**  
(See Accountant's Compilation Report)

	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>OPERATING REVENUE</b>			
Interest revenue			
Net investment income	\$ 3,619,502	\$ 2,135,909	\$ 2,339,981
Interest earnings - Loans	6,429,044	7,138,166	7,276,266
Total interest revenue	<u>10,048,546</u>	<u>9,274,075</u>	<u>9,616,247</u>
Other revenue			
Mineral lease income	14,340,078	10,104,457	7,943,045
Service charge on loans	49,722	147,452	-
Other	1,901	15,878	-
Total other revenue	<u>14,391,701</u>	<u>10,267,787</u>	<u>7,943,045</u>
Total operating revenue	<u>24,440,247</u>	<u>19,541,862</u>	<u>17,559,292</u>
<b>OPERATING EXPENSE</b>			
Interdepartmental operations			
CWCB - Operations	3,535,762	3,454,988	3,502,309
Division of Water Resources	447,841	554,624	589,661
Satellite monitoring	296,711	402,607	339,346
Division of Wildlife	219,399	208,466	150,408
Executive Director's office	368,979	333,880	495,650
Attorney General's office	424,015	330,756	322,252
Other	50,633	23	-
Nonreimbursable investments - Grants to entities	2,217,076	1,676,584	2,442,932
Nonreimbursable investments - Personal services	3,839,234	3,047,637	2,834,549
Total operating expense	<u>11,399,650</u>	<u>10,009,565</u>	<u>10,677,107</u>
<b>OPERATING INCOME/CHANGE IN NET ASSETS</b>	13,040,597	9,532,297	6,882,185
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>261,253,452</u>	<u>251,721,155</u>	<u>244,838,970</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 274,294,049</u></u>	<u><u>\$ 261,253,452</u></u>	<u><u>\$ 251,721,155</u></u>

## **SUPPLEMENTAL INFORMATION**

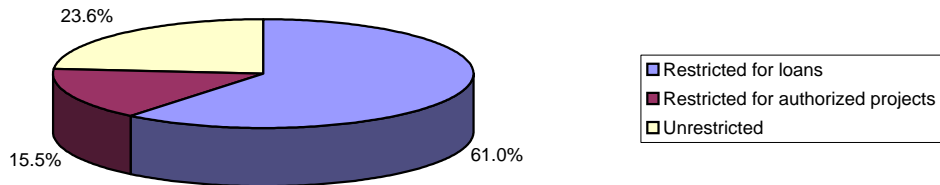
**COLORADO WATER CONSERVATION BOARD**  
**CONSTRUCTION FUND**  
**SCHEDULES OF CASH SOURCES AND USES**  
**Years ended June 30, 2006, 2005 and 2004**  
(See Accountant's Compilation Report)

	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>CASH SOURCES</b>			
Proceeds received on Mineral Lease income	\$ 14,340,078	\$ 10,104,457	\$ 7,943,045
Interest received on investments	3,619,502	2,135,909	2,339,981
Interest received on loans	6,818,430	7,173,289	5,684,557
Principal received on loans	11,079,168	15,771,965	5,884,162
Service charge on loans	49,722	147,452	-
Other	1,901	15,878	-
	<u>35,908,801</u>	<u>35,348,950</u>	<u>21,851,745</u>
<b>CASH USES</b>			
Loan payments to borrowers	4,357,044	22,338,126	21,466,889
Nonreimbursable investments - Personal services	1,880,523	2,424,546	1,836,606
Nonreimbursable investments - Grants to entities	2,217,076	1,676,584	2,442,932
Interdepartmental operations	5,343,340	5,309,930	5,399,626
Principal paid - Severance Tax Trust Fund	32,557	-	-
	<u>13,830,540</u>	<u>31,749,186</u>	<u>31,146,053</u>
<b>CASH SOURCES IN EXCESS OF (LESS THAN) CASH USES</b>	22,078,261	3,599,764	(9,294,308)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>78,276,141</u>	<u>74,676,377</u>	<u>83,970,685</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 100,354,402</u></u>	<u><u>\$ 78,276,141</u></u>	<u><u>\$ 74,676,377</u></u>

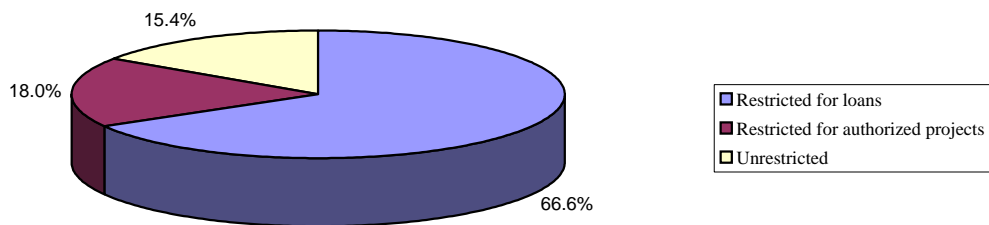
**COLORADO WATER CONSERVATION BOARD**  
**CONSTRUCTION FUND**  
**Graphs of Components of Fund Equity**  
**June 30, 2006, 2005 and 2004**

(See accountant's compilation report)

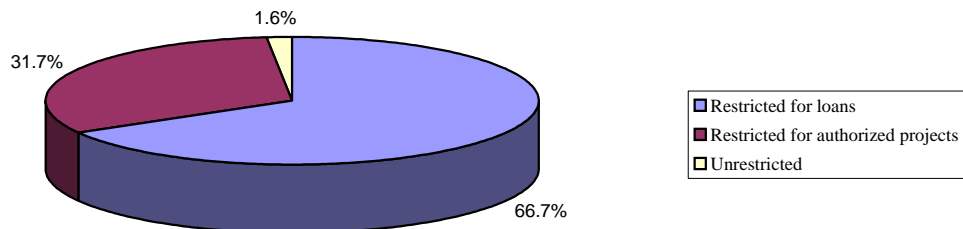
**FUND EQUITY at June 30, 2006**



**FUND EQUITY at June 30, 2005**



**FUND EQUITY at June 30, 2004**



	2006	2005	2004
Restricted for loans	\$ 167,206,387	\$ 173,894,139	\$ 167,971,365
Restricted for authorized projects	42,394,573	47,000,772	79,669,991
Unrestricted	64,693,089	40,358,541	4,079,799
Total fund equity	<u>\$ 274,294,049</u>	<u>\$ 261,253,452</u>	<u>\$ 251,721,155</u>