

**COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND
Denver, Colorado**

**FINANCIAL STATEMENTS
June 30, 2009, 2008 and 2007**

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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, Severance Tax Trust Fund - Perpetual Base Account as of June 30, 2009, 2008 and 2007, and the related statements of revenue, expenses and changes in net assets 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 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, Severance Tax Trust Fund - Perpetual Base Account 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, Severance Tax Trust Fund - Perpetual Base Account.

In fiscal year 2009, \$110,000,000 was transferred out of the Severance Tax Trust Fund into the State of Colorado's general fund pursuant to senate bills 09-208 and 09-279. In July 2009, \$75,000,000 of these funds were returned to Colorado Water Conservation Board, the remaining balance will not be returned. The \$75,000,000 has been reflected in the financial statements as a receivable that is owed to Colorado Water Conservation Board from the State of Colorado. Senate bill 09-279 also states that on July 1, 2009, \$43,000,000 will be transferred to the State of Colorado's general fund, this amount was not recorded as a payable at June 30, 2009 due to the funds not being owed until after year-end. On June 30, 2010, up to \$19,000,000 will be transferred to the State of Colorado's general fund, the exact dollar amount is unknown at this time and has not been reflected on the financial statements at June 30, 2009.

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, Severance Tax Trust Fund - Perpetual Base Account '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.

Clifton Henderson LLP

Greenwood Village, Colorado
August 21, 2009

COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT
STATEMENTS OF NET ASSETS
June 30, 2009, 2008 and 2007
(See Accountant's Compilation Report)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 93,984,220	\$ 194,447,096	\$ 159,257,304
Interest receivable on loans	2,879,170	2,393,613	1,973,636
Loans receivable completed	3,173,352	2,256,525	1,670,095
Due from the State of Colorado	75,000,000	-	-
Total current assets	<u>175,036,742</u>	<u>199,097,234</u>	<u>162,901,035</u>
NONCURRENT ASSETS			
Loans receivable completed - Long-term	<u>161,337,149</u>	<u>91,831,767</u>	<u>79,994,805</u>
Total noncurrent assets	<u>161,337,149</u>	<u>91,831,767</u>	<u>79,994,805</u>
 Total assets	 <u>\$ 336,373,891</u>	 <u>\$ 290,929,001</u>	 <u>\$ 242,895,840</u>
LIABILITIES			
Due to Construction Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS			
Restricted			
Restricted for loans	161,337,178	91,831,767	79,994,805
Restricted for authorized projects under contract	54,572,668	46,655,429	44,042,619
Restricted for authorized projects not under contract	80,009,724	134,382,845	75,156,337
Unrestricted	<u>40,454,321</u>	<u>18,058,960</u>	<u>43,702,079</u>
Total net assets	<u>336,373,891</u>	<u>290,929,001</u>	<u>242,895,840</u>
 Total liabilities and net assets	 <u>\$ 336,373,891</u>	 <u>\$ 290,929,001</u>	 <u>\$ 242,895,840</u>

COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
Years Ended June 30, 2009, 2008 and 2007
(See Accountant's Compilation Report)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
OPERATING REVENUE			
Interest revenue			
Net investment income	\$ 6,332,943	\$ 7,222,102	\$ 6,873,056
Interest earnings - Loans	<u>4,738,681</u>	<u>3,285,538</u>	<u>2,487,587</u>
Total interest revenue	<u>11,071,624</u>	<u>10,507,640</u>	<u>9,360,643</u>
Other revenue			
Severance tax	<u>71,253,177</u>	<u>37,868,413</u>	<u>34,134,186</u>
Total operating revenue	<u>82,324,801</u>	<u>48,376,053</u>	<u>43,494,829</u>
OPERATING EXPENSES			
Nonreimbursable investments	1,716,142	342,892	818,527
Transfer to general fund	<u>35,163,769</u>	<u>-</u>	<u>-</u>
	<u>36,879,911</u>	<u>342,892</u>	<u>818,527</u>
OPERATING INCOME/CHANGE IN NET ASSETS	45,444,890	48,033,161	42,676,302
NET ASSETS - BEGINNING OF YEAR	<u>290,929,001</u>	<u>242,895,840</u>	<u>200,219,538</u>
NET ASSETS - END OF YEAR	<u>\$ 336,373,891</u>	<u>\$ 290,929,001</u>	<u>\$ 242,895,840</u>

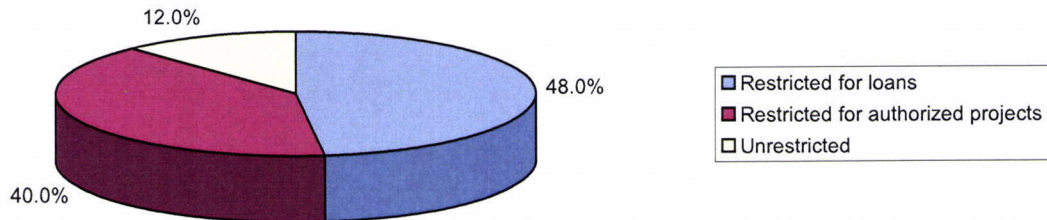
SUPPLEMENTAL INFORMATION

COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT
SCHEDULES OF CASH SOURCES AND USES
Years Ended June 30, 2009, 2008 and 2007
(See Accountant's Compilation Report)

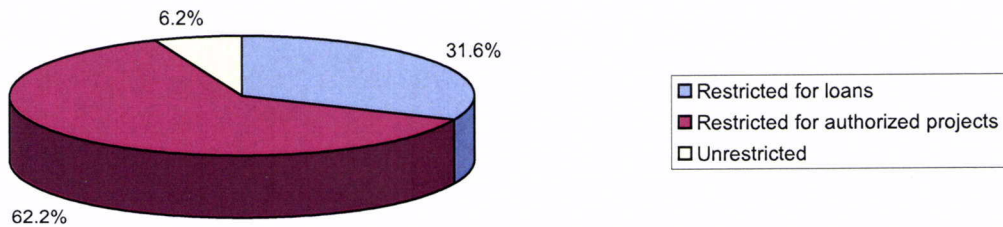
	<u>2009</u>	<u>2008</u>	<u>2007</u>
CASH SOURCES			
Severance tax	\$ 71,253,177	\$ 37,868,413	\$ 34,134,186
Interest received on investments	6,332,943	7,222,102	6,873,056
Interest received on loans	4,253,124	2,865,561	2,095,550
Principal received on loans	3,099,696	2,731,028	1,408,038
	<u>84,938,940</u>	<u>50,687,104</u>	<u>44,510,830</u>
CASH USES			
Loan disbursements to borrowers	73,521,905	15,154,420	17,856,138
Nonreimbursable investments	1,716,142	342,892	818,527
Principal paid to Construction Fund	-	-	294,904
Special bill	110,163,769	-	-
	<u>185,401,816</u>	<u>15,497,312</u>	<u>18,969,569</u>
CASH SOURCES IN EXCESS (DEFICIENCY) OF CASH USES	(100,462,876)	35,189,792	25,541,261
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>194,447,096</u>	<u>159,257,304</u>	<u>133,716,043</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 93,984,220</u>	<u>\$194,447,096</u>	<u>\$159,257,304</u>

COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT
Graphs of Components of Fund Equity
June 30, 2009, 2008 and 2007
(See Accountant's Compilation Report)

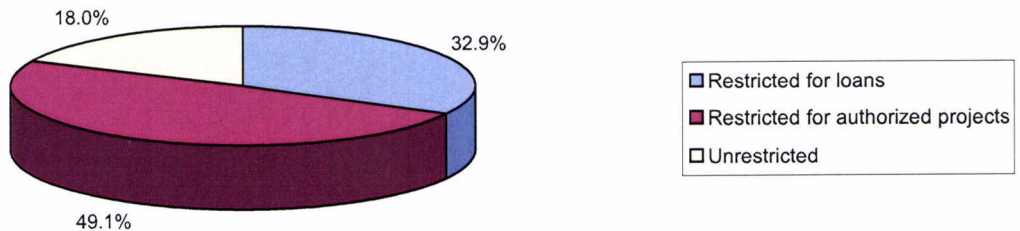
FUND EQUITY at June 30, 2009



FUND EQUITY at June 30, 2008



FUND EQUITY at June 30, 2007



	2009	2008	2007
Restricted for loans	\$ 161,337,178	\$ 91,831,767	\$ 79,994,805
Restricted for authorized projects	134,582,392	181,038,274	119,198,956
Unrestricted	40,454,321	18,058,960	43,702,079
Total fund equity	<u>\$ 336,373,891</u>	<u>\$ 290,929,001</u>	<u>\$ 242,895,840</u>