

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Tim Feehan, PE, Chief
Finance Section

DATE: September 2, 2011

SUBJECT: **Agenda Item 19, September 13-14, 2011 Board Meeting**
Finance Section – Financial Matters
Projections and Cash Balance Reports

John W. Hickenlooper
Governor

Mike King
DNR Executive Director

Jennifer L. Gimbel
CWCB Director

Introduction (This is for information only and no action is necessary)

This agenda item provides updated financial information for the Board's use in evaluating the availability of funds from the Construction Fund and the Severance Tax Trust Fund Perpetual Base Account for non-reimbursable project investments, new water project loans and increases to existing loan authorizations. A Financial Projections Report and a Cash Balance Report will be distributed at the Board meeting which utilizes information based on documents prepared by Clifton Gunderson, Severance Tax projections and Federal Mineral Lease prepared by the Legislative Council, interest earnings and repayment schedules prepared by CWCB staff.

Discussion

As of the date of this memo, sufficient cash is available to fund the staff recommendations for the new loans and the changes to existing loans which follow this agenda item.

Review

The **Financial Projections Report** shows the annual projections of money available for the CWCB operating expenses, non-reimbursable project investments, modifications to previous loan authorizations and new construction project loans. The Financial Projections Report provides an estimate of the CWCB revenues during the fiscal year and the anticipated expenditures. The Finance Section will update the Projections Report if necessary and present it to the Board at each Board Meeting throughout the fiscal year.

The **Cash Balance Report** is used by the Finance Section staff in order to assure the Board that unreserved cash is available for new loans and revisions to existing loans which are presented to the Board. Historically, the report has shown ample cash available for loans recommended for approval; however, since the cash transfers from the CWCB's two funds to the General Fund, the

Cash Balance Report has become extremely important. If at any time, the CWCB does not have the cash available, the Board will provide direction as to which projects will receive priority when cash becomes available based on Financial Policy #12, attached.