

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Kirk Russell, PE, Chief
Finance Section

DATE: May 4, 2012

SUBJECT: **Agenda Item 24a, May 15/16, 2012 Board Meeting**
Finance Section – Financial Matters
Cash Balance Report

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 loans and increases to existing loan authorizations. A Cash Balance Report and Financial Projections Report will be distributed at the Board meeting due to the timing of available information. The Report utilizes information prepared by Clifton Gunderson, Severance Tax and Federal Mineral Lease projections prepared by the Legislative Council, interest earnings/repayment schedules prepared by CWCB staff.

Finance Staff Statement

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

Description

The **Cash Balance Report** is used by the Finance Section staff 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 fund/accounts 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.

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.