

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

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John W. Hickenlooper
Governor

Mike King
DNR Executive Director

Jennifer L. Gimbel
CWCB Director

TO: Colorado Water Conservation Board Members

FROM: Steve Biondo, Finance Manager *SB*
Kirk Russell, P. E., Chief *KLR*
Finance & Administration Section

DATE: November 5, 2012

SUBJECT: **Agenda Item 13a, November 13-14, 2012, Board Meeting**
Finance – Construction Fund and Severance Tax Trust Fund Perpetual Base
Account Annual Financial Statements

This is an informational item only. No Board action is required.

The Colorado Water Conservation Board (CWCB) has contracted with a responsible independent accounting firm for the purpose of preparing Compilation Reports (Reports) of the CWCB Construction Fund (CF) and Severance Tax Trust Fund Perpetual Base Account (STTFPBA) Financial Statements.

CWCB entered into a contract with CliftonLarsonAllen, LLP in July 2011 to complete the work outlined in the Scope of Work for the Reports during the 2011 bidding process.

The CF and STTFPBA Financial Statements Update will be presented and questions will be addressed for the Fiscal Year ending June 30, 2012 at the November 2012 Board Meeting. CWCB Executive Summaries and Comparative Financial Statements for the Fiscal Years 2012, 2011, and 2010 are attached for informational purposes only.

Attachments:

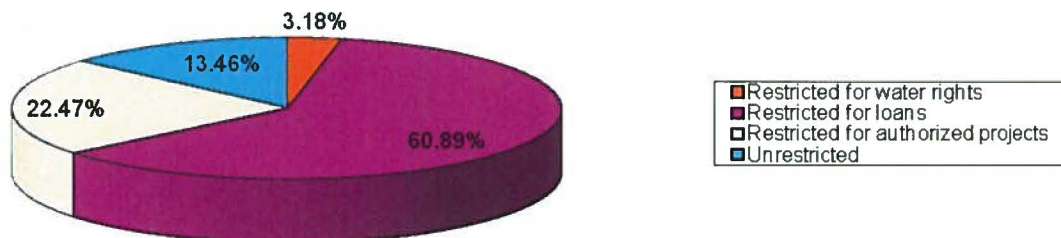
1. CWCB Construction Fund Executive Summary
2. CWCB Construction Fund Financial Statements
3. CWCB Severance Tax Trust Fund Executive Summary
4. CWCB Severance Tax Trust Fund Financial Statements

CWCB CONSTRUCTION FUND EXECUTIVE SUMMARY

The Construction Fund (CF) for the year ended June 30, 2012 saw an increase of approximately \$27 million in the net assets of the CF. The balance in the net assets is comprised of those assets that are restricted for loans and those that are unrestricted. Overall the restricted balance at year-end was \$326,635,219; this is a \$6,452,473 increase in restricted assets from the prior year.

During 2012, the CF disbursed approximately \$7.5 million to entities in the form of low interest rate loan contracts to aid in the protection and development of the waters of the State of Colorado. The largest three of these loan contracts were to the Terrace Irrigation Company for approximately \$1,725,000 (a portion of the \$2,751,968 loan), Snowmass Water and Sanitation District for approximately \$1,211,000 (a portion of the \$1,952,805 loan), and Two Rivers Water Company for approximately \$1,096,000 (a portion of the \$1,184,882 loan). These three contracts account for approximately 54% of the loan disbursements for the year. The loan disbursements made during the year ended June 30, 2012 were offset by an increase in new projects under contract, causing the net asset component of "Restricted for authorized projects under contract" to increase by \$14,546,208 from \$20,755,477 at June 30, 2011 to \$35,301,685 at June 30, 2012. The CF received \$17,726,445 in principal repayments from participating entities for the fiscal year ending June 30, 2012 as compared to \$5,461,920 for the year ended June 30, 2011.

FUND EQUITY at June 30, 2012



Restricted for loans * =	\$230 M	(60.9%)
Restricted for water rights =	\$ 12 M	(3.2%)
Restricted for authorized projects ** =	\$ 85 M	(22.5%)
Unrestricted (Available Cash) =	<u>\$ 50 M</u>	<u>(13.4%)</u>
Total Fund Equity =	<u>\$377 M</u>	(100.0%)

Note: * This includes loans in repayment and disbursements for loan projects in progress.

** This includes both loan and non-reimbursable water projects in progress.

Revenue remained relatively stable, increasing \$131,320 from \$38,097,672 at June 30, 2011 to \$38,228,992 at June 30, 2012. Mineral lease income that is allocated to the CF was capped for the year ended June 30, 2012 at \$15,748,096 by Senate Bill 08-218, which equaled the revenue received. There was also a transfer from the STTFPBA to the CF in the amount of \$12,000,000 during the year ended June 30, 2012. Under House Bill 10-1250, starting in June 2011, \$12,000,000 is being transferred annually (for a three year period) from the STTFPBA to the CF for the Animas-La-Plata project. During the year ended June 30, 2012, the CF acquired \$12,000,000 of water rights related to the Animas-La-Plata project.

Operating expenses remained relatively stable, increasing approximately \$169,000 from the year ended June 30, 2011 to the year ended June 30, 2012.

In July 2009, \$60,000,000 of the funds transferred to the State of Colorado general fund were returned to the CF. The State of Colorado did not return any additional transfers to the Fund during the years ended June 30, 2012 and 2011.

Prepared by Steve Biondo, CWCB Finance Manager, with the assistance of CliftonLarsonAllen.

**COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
Denver, Colorado**

**FINANCIAL STATEMENTS
June 30, 2012, 2011 and 2010**

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Accountant's Compilation 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, 2012, 2011 and 2010 and the related statements of revenue, expenses and changes in net assets for the years then ended, and the accompanying supplementary information, which is presented only for additional analysis purposes. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary schedules are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements and supplementary schedules in accordance with accounting principles generally accepted in the United States of America, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and supplementary schedules.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supplementary schedules without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and supplementary schedules.

Generally accepted accounting principles require that loan origination fees received from borrowers, net of certain direct loan origination costs, if any, be deferred and recognized as an adjustment of the related loan yield using the interest method. Management has informed us that the Construction Fund has recognized loan origination fees as income in the year received. The effect of this departure from generally accepted accounting principles on financial position and results of operations has not been determined.

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 and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement 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.

Management has elected to omit the management's discussion and analysis information that is required to be presented for additional analysis. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 31, 2012

COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
STATEMENTS OF NET ASSETS
June 30, 2012, 2011 and 2010

	<u>2012</u>	<u>2011</u>	<u>2010</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 127,725,050	\$ 103,667,367	\$ 80,161,761
Interest receivable on loans	4,122,768	3,391,944	3,596,104
Loans receivable	6,270,577	5,142,056	4,918,482
Prepaid expenses	8,441	58,074	59,635
	<u>138,126,836</u>	<u>112,259,441</u>	<u>88,735,982</u>
NONCURRENT ASSETS			
Loans receivable - long-term - net of allowance for uncollectible account of \$220,129 in 2012, \$377,522 in 2011 and \$157,392 in 2010	226,218,571	237,440,563	234,257,336
Interest receivable - long term	3,607,350	3,894,855	3,319,376
Water rights	12,000,000	-	-
Total noncurrent assets	<u>241,825,921</u>	<u>241,335,418</u>	<u>237,576,712</u>
 Total assets	 <u>\$ 379,952,757</u>	 <u>\$ 353,594,859</u>	 <u>\$ 326,312,694</u>
LIABILITIES			
Accounts payable	\$ 2,507,989	\$ 2,936,010	\$ 2,477,512
Total liabilities	<u>2,507,989</u>	<u>2,936,010</u>	<u>2,477,512</u>
NET ASSETS			
Restricted			
Restricted for water rights	12,000,000	-	-
Restricted for loans	229,825,921	241,335,418	237,576,712
Restricted for authorized projects under contract	35,301,685	20,755,477	23,804,268
Restricted for authorized projects not under contract	49,507,613	58,091,851	38,854,206
Unrestricted	50,809,549	30,476,103	23,599,996
Total net assets	<u>377,444,768</u>	<u>350,658,849</u>	<u>323,835,182</u>
 Total liabilities and net assets	 <u>\$ 379,952,757</u>	 <u>\$ 353,594,859</u>	 <u>\$ 326,312,694</u>

See accountant's compilation report.

**COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
Years Ended June 30, 2012, 2011 and 2010**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
OPERATING REVENUE			
Interest revenue			
Net investment income	\$ 1,453,298	\$ 1,808,901	\$ 2,456,921
Interest earnings - loans	<u>8,698,209</u>	<u>9,046,024</u>	<u>8,068,595</u>
Total interest revenue	<u>10,151,507</u>	<u>10,854,925</u>	<u>10,525,516</u>
Other revenue			
Mineral lease income	15,748,096	14,722,345	11,724,295
Transfer from Severance Tax Trust Fund	12,000,000	12,000,000	-
Service charge on loans	135,808	252,717	805,388
Other	<u>193,581</u>	<u>267,685</u>	<u>198,012</u>
Total other revenue	<u>28,077,485</u>	<u>27,242,747</u>	<u>12,727,695</u>
Total operating revenue	<u>38,228,992</u>	<u>38,097,672</u>	<u>23,253,211</u>
OPERATING EXPENSE			
Interdepartmental operations			
CWCB - Operations	5,405,849	5,409,274	5,325,821
Division of Water Resources	380,261	433,967	457,366
Satellite monitoring	335,029	295,575	329,484
Executive Director's office	763,642	661,700	486,834
Attorney General's office	486,566	404,570	417,204
Nonreimbursable investments	<u>4,071,726</u>	<u>4,068,919</u>	<u>5,208,310</u>
Total operating expense	<u>11,443,073</u>	<u>11,274,005</u>	<u>12,225,019</u>
OPERATING INCOME/CHANGE IN NET ASSETS	26,785,919	26,823,667	11,028,192
NET ASSETS - BEGINNING OF YEAR	<u>350,658,849</u>	<u>323,835,182</u>	<u>312,806,990</u>
NET ASSETS - END OF YEAR	<u>\$ 377,444,768</u>	<u>\$ 350,658,849</u>	<u>\$ 323,835,182</u>

See accountant's compilation report.

SUPPLEMENTARY INFORMATION

**COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
SCHEDULES OF CASH SOURCES AND USES
Years ended June 30, 2012, 2011 and 2010**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
CASH SOURCES			
Mineral lease income	\$ 15,748,096	\$ 14,722,345	\$ 11,724,295
Interest received on investments	1,453,298	1,808,901	2,456,921
Interest received on loans	8,254,890	8,674,705	7,586,141
Principal received on loans	17,726,445	5,461,920	5,594,064
Service charge on loans	135,808	252,717	805,388
Transfer from Severance Tax Trust Fund	12,000,000	12,000,000	-
Other revenue	193,581	267,685	198,012
Transfer from general fund	-	-	60,000,000
	<u>55,512,118</u>	<u>43,188,273</u>	<u>88,364,821</u>
CASH USES			
Loan disbursements to borrowers	7,475,581	9,088,851	29,959,935
Nonreimbursable investments	4,450,114	3,608,860	5,269,853
Interdepartmental operations	7,528,740	6,984,956	7,427,211
Water rights acquisition	12,000,000	-	-
	<u>31,454,435</u>	<u>19,682,667</u>	<u>42,656,999</u>
CASH SOURCES IN EXCESS (DEFICIENCY) OF CASH USES	24,057,683	23,505,606	45,707,822
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>103,667,367</u>	<u>80,161,761</u>	<u>34,453,939</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 127,725,050</u>	<u>\$ 103,667,367</u>	<u>\$ 80,161,761</u>

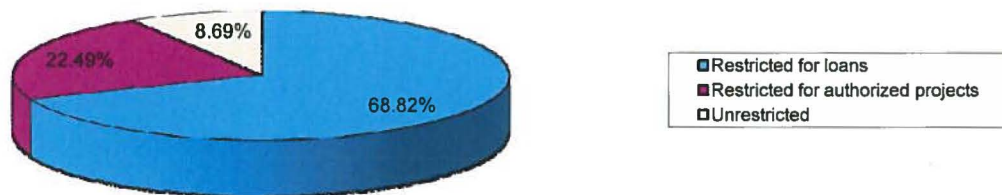
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**COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
Graphs of Components of Fund Equity
June 30, 2012, 2011 and 2010**

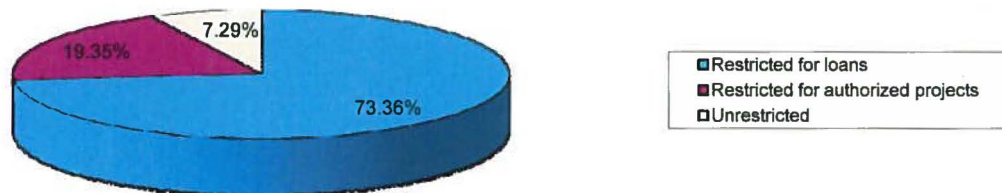
FUND EQUITY at June 30, 2012



FUND EQUITY at June 30, 2011



FUND EQUITY at June 30, 2010



	2012	2011	2010
Restricted for water rights	\$ 12,000,000	\$ -	\$ -
Restricted for loans	229,825,921	241,335,418	237,576,712
Restricted for authorized projects	84,809,298	78,847,328	62,658,474
Unrestricted	50,809,549	30,476,103	23,599,996
Total fund equity	<u>\$ 377,444,768</u>	<u>\$ 350,658,849</u>	<u>\$ 323,835,182</u>

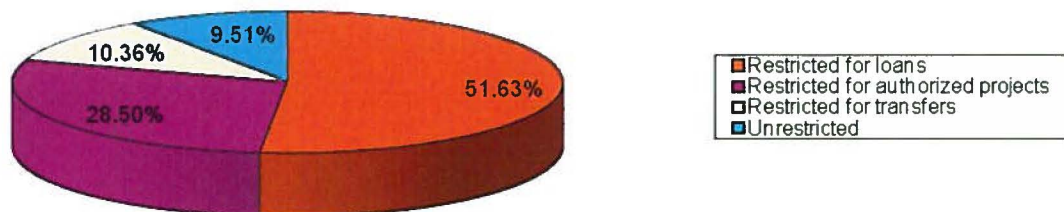
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CWCB SEVERANCE TAX TRUST FUND EXECUTIVE SUMMARY

The Severance Tax Trust Fund Perpetual Base Account (STTFPBA) for the year ended June 30, 2012 saw a decrease of approximately \$3.5 million in the net assets. The balance in the net assets is comprised of those assets that are restricted for loans and non-reimbursable investments (i.e., the Agricultural Emergency Response Grant Program), those restricted for transfers, and those that are unrestricted. Overall the restricted balance for loans and authorized projects at June 30, 2012 was \$247,501,283 which is a \$33,220,077 decrease in restricted assets from June 30, 2011. This decrease is primarily related to the early repayment of outstanding loans, including approximately \$15,000,000 received from the Parker Water Sanitation District and \$14,142,000 received from the Ute Water Conservancy District. In addition, the STTFPBA disbursed over \$16,800,000 of new loans for the year ended June 30, 2012. The two largest loans disbursed during the year ended June 30, 2012 were to the Republican River Water Conservation District for approximately \$12,500,000 (a portion of the \$60,600,000 loan) and the Penrose Water District for \$2,250,000 (a portion of the \$8,844,570 loan). This accounts for approximately 89% of the loan disbursements from the STTFPBA for the year.

House Bill 10-1250 authorized the State Treasurer to transfer \$36,000,000 from the STTFPBA to the CF for the purchase of all or a portion of Colorado's allotment of the Animas-La-Plata project water. The first two installments of \$12,000,000 to the CF were made on June 30, 2011 and June 30, 2012. The final transfer of \$12,000,000 was made July 1, 2012 and has been included as restricted under amounts being transferred to the CF. If, on June 30, 2015, any monies appropriated to the CF have not been fully expended, the unexpended money would be de-authorized and returned to the STTFPBA.

FUND EQUITY at June 30, 2012



Restricted for loans * =	\$159 M	(51.6%)
Restricted for authorized projects ** =	\$ 88 M	(28.5%)
Restricted for transfer to CF =	\$ 32 M	(10.4%)
Unrestricted (Available Cash) =	<u>\$ 29 M</u>	<u>(9.5%)</u>
Total Fund Equity =	<u>\$308 M</u>	(100.0%)

Note: * This includes loans in repayment and disbursements for loan projects in progress.

** This includes both loan and non-reimbursable water projects in progress.

Revenue increased from \$43 million for the previous year to \$57 million during the year ended June 30, 2012. This is due to a significant increase in the amount of severance tax revenue that was earned on oil and gas production. This increase resulted due to higher oil and natural gas production.

Operating expenses increased over the prior year as a result of the special bills to increase funds transferred by the STTFPBA; see below for further explanation.

In fiscal year 2012, Senate Bill 12S-002 approved transfers from the STTFPBA to the CF, including \$15,000,000 for the Rio Grande cooperative project and \$5,000,000 for the Chatfield reservoir project. These transfers are scheduled during the first half of fiscal year 2013 and accordingly, have been included as restricted under amounts being transferred to the CF. Senate Bill 12S-002 authorized other amounts to be transferred from the STTFPBA; however, such amounts are not scheduled to be transferred until after January 1, 2013, and therefore, have not been reflected as a restriction on June 30, 2012 net assets.

Prepared by Steve Biondo, CWCB Finance Manager, with the assistance of CliftonLarsonAllen.

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

**FINANCIAL STATEMENTS
June 30, 2012, 2011 and 2010**

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Accountant's Compilation 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, 2012, 2011 and 2010, and the related statements of revenue, expenses and changes in net assets for the years then ended and the accompanying supplementary information, which is presented only for additional analysis purposes. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary schedules are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements and supplementary schedules in accordance with accounting principles generally accepted in the United States of America, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and supplementary schedules.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supplementary schedules without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and supplementary schedules.

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 2012, Senate Bill 12S-002 approved transfers from the Severance Tax Fund to the Construction Fund, including \$15,000,000 for the Rio Grande cooperative project and \$5,000,000 for the Chatfield reservoir project. These transfers are scheduled during the first half of fiscal year 2013 and accordingly, have been removed from unrestricted net assets at June 30, 2012 and placed as restricted under amounts being transferred to the Construction Fund. Senate Bill 12S-002 authorized other amounts to be transferred from the Severance Tax Trust Fund. However, such amounts are not scheduled to be transferred until after January 1, 2013, and have therefore not been reflected as a restriction on June 30, 2012 net assets.

House Bill 10-1250 authorized the State Treasurer to transfer \$36,000,000 from the Severance Tax Trust Fund to the Construction Fund for the purchase of all or a portion of Colorado's allotment of the Animas-La-Plata project water. The first two installment transfers of \$12,000,000 to the Construction Fund account were made on June 30, 2011 and June 30, 2012. As of June 30, 2012, the final transfer of \$12,000,000 to be made July 1, 2012 has been removed from unrestricted net assets and placed as restricted under amounts being transferred to the Construction Fund. If, on June 30, 2015, any monies appropriated to the Construction Fund have not been fully expended, the unexpended money would be deauthorized and returned to the Severance Tax Trust Fund.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement 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 financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Management has elected to omit the management's discussion and analysis information that is required to be presented for additional analysis. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

Clifton Larson Allen LLP

Greenwood Village, Colorado
October 31, 2012

COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT
STATEMENTS OF NET ASSETS
June 30, 2012, 2011 and 2010

	<u>2012</u>	<u>2011</u>	<u>2010</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 134,923,682	\$ 127,927,951	\$ 126,915,959
Interest receivable on loans	4,660,512	4,536,687	3,002,856
Loans receivable	3,725,486	4,297,845	3,605,226
Due from the State of Colorado	6,089,621	-	-
Due from the Department of Natural Resources	-	-	6,548
Total current assets	<u>149,399,301</u>	<u>136,762,483</u>	<u>133,530,589</u>
NONCURRENT ASSETS			
Loans receivable - long-term	<u>159,469,689</u>	<u>175,553,093</u>	<u>163,714,036</u>
Total noncurrent assets	<u>159,469,689</u>	<u>175,553,093</u>	<u>163,714,036</u>
Total assets	<u>\$ 308,868,990</u>	<u>\$ 312,315,576</u>	<u>\$ 297,244,625</u>
LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS			
Restricted			
Restricted for loans	\$ 159,469,689	\$ 175,552,046	\$ 163,714,036
Restricted for authorized projects under contract	21,115,121	38,227,599	50,800,459
Restricted for authorized projects not under contract	66,916,473	66,941,715	77,864,620
Restricted for transfer to construction fund	32,000,000	-	-
Restricted for transfer to general fund	-	25,000,000	-
Unrestricted	<u>29,367,707</u>	<u>6,594,216</u>	<u>4,865,510</u>
Total net assets	<u>308,868,990</u>	<u>312,315,576</u>	<u>297,244,625</u>
Total liabilities and net assets	<u>\$ 308,868,990</u>	<u>\$ 312,315,576</u>	<u>\$ 297,244,625</u>

See accountant's compilation report

COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
Years Ended June 30, 2012, 2011 and 2010

	<u>2012</u>	<u>2011</u>	<u>2010</u>
OPERATING REVENUE			
Interest revenue			
Net investment income	\$ 1,697,551	\$ 2,597,026	\$ 3,095,952
Interest earnings - loans	<u>5,164,410</u>	<u>5,475,195</u>	<u>3,966,943</u>
Total interest revenue	<u>6,861,961</u>	<u>8,072,221</u>	<u>7,062,895</u>
Other revenue			
Severance tax	<u>49,859,296</u>	<u>35,011,669</u>	<u>17,856,646</u>
Total operating revenue	<u>56,721,257</u>	<u>43,083,890</u>	<u>24,919,541</u>
OPERATING EXPENSES			
Transfers to general and other funds	<u>60,167,843</u>	<u>28,012,939</u>	<u>64,048,807</u>
	<u>60,167,843</u>	<u>28,012,939</u>	<u>64,048,807</u>
OPERATING INCOME (LOSS)/CHANGE IN NET ASSETS	(3,446,586)	15,070,951	(39,129,266)
NET ASSETS - BEGINNING OF YEAR	<u>312,315,576</u>	<u>297,244,625</u>	<u>336,373,891</u>
NET ASSETS - END OF YEAR	<u>\$ 308,868,990</u>	<u>\$ 312,315,576</u>	<u>\$ 297,244,625</u>

See accountant's compilation report.

SUPPLEMENTARY INFORMATION

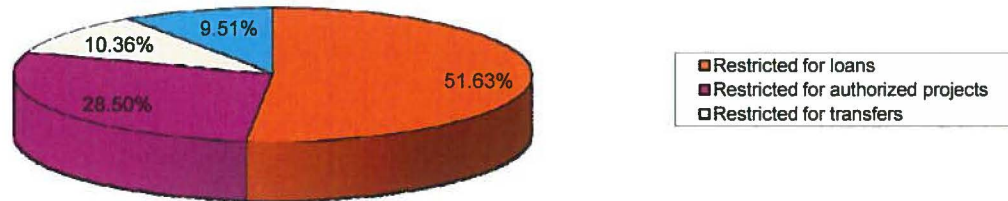
COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT
SCHEDULES OF CASH SOURCES AND USES
Years Ended June 30, 2012, 2011 and 2010

	<u>2012</u>	<u>2011</u>	<u>2010</u>
CASH SOURCES			
Severance tax	\$ 43,769,675	\$ 35,011,669	\$ 17,856,646
Interest received on investments	1,697,551	2,597,026	3,095,952
Interest received on loans	5,040,585	3,941,364	3,843,257
Principal received on loans	33,242,996	4,093,484	4,151,218
Special bills	-	6,548	75,000,000
	<u>83,750,807</u>	<u>45,650,091</u>	<u>103,947,073</u>
CASH USES			
Loan disbursements to borrowers	16,587,233	16,625,160	6,959,979
Special bills	60,167,843	28,012,939	64,055,355
	<u>76,755,076</u>	<u>44,638,099</u>	<u>71,015,334</u>
CASH SOURCES IN EXCESS (DEFICIENCY) OF CASH USES	6,995,731	1,011,992	32,931,739
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>127,927,951</u>	<u>126,915,959</u>	<u>93,984,220</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 134,923,682</u>	<u>\$ 127,927,951</u>	<u>\$ 126,915,959</u>

See accountant's compilation report.

COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT
Graphs of Components of Fund Equity
June 30, 2012, 2011 and 2010

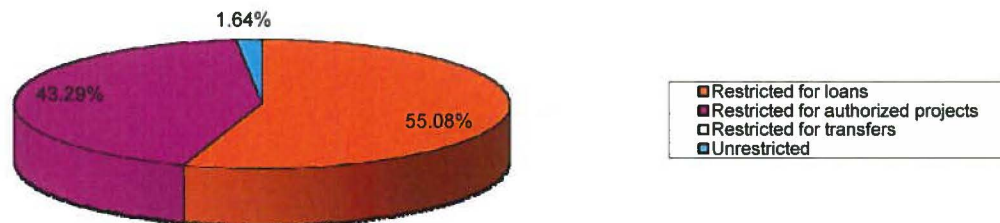
FUND EQUITY at June 30, 2012



FUND EQUITY at June 30, 2011



FUND EQUITY at June 30, 2010



	2012	2011	2010
Restricted for loans	\$ 159,469,689	\$ 175,552,046	\$ 163,714,036
Restricted for authorized projects	88,031,594	105,169,314	128,665,079
Restricted for transfers	32,000,000	25,000,000	-
Unrestricted	29,367,707	6,594,216	4,865,510
Total fund equity	<u>\$ 308,868,990</u>	<u>\$ 312,315,576</u>	<u>\$ 297,244,625</u>

See accountant's compilation report