

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

**FINANCIAL STATEMENTS
June 30, 2008, 2007 and 2006**

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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, 2008, 2007 and 2006, 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, 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.

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 Gunderson LLP

Greenwood Village, Colorado
August 28, 2008

COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT
STATEMENTS OF NET ASSETS
June 30, 2008, 2007 and 2006
(See Accountant's Compilation Report)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 194,447,096	\$ 159,257,304	\$ 133,716,043
Interest receivable on loans	2,393,613	1,973,636	1,581,599
Loans receivable completed	2,256,525	1,670,095	663,104
Total current assets	<u>199,097,234</u>	<u>162,901,035</u>	<u>135,960,746</u>
NONCURRENT ASSETS			
Loans receivable completed - Long-term	91,831,767	79,994,805	64,553,696
Total noncurrent assets	<u>91,831,767</u>	<u>79,994,805</u>	<u>64,553,696</u>
 Total assets	 <u>\$ 290,929,001</u>	 <u>\$ 242,895,840</u>	 <u>\$ 200,514,442</u>
LIABILITIES			
Due to Construction Fund	\$ -	\$ -	\$ 294,904
Total liabilities	<u>-</u>	<u>-</u>	<u>294,904</u>
NET ASSETS			
Restricted			
Restricted for loans	91,831,767	79,994,805	64,553,696
Restricted for authorized projects under contract	46,655,429	44,042,619	50,019,038
Restricted for authorized projects not under contract	134,382,845	75,156,337	5,769,139
Unrestricted	<u>18,058,960</u>	<u>43,702,079</u>	<u>79,877,665</u>
Total net assets	<u>290,929,001</u>	<u>242,895,840</u>	<u>200,219,538</u>
 Total liabilities and net assets	 <u>\$ 290,929,001</u>	 <u>\$ 242,895,840</u>	 <u>\$ 200,514,442</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, 2008, 2007 and 2006
(See Accountant's Compilation Report)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
OPERATING REVENUE			
Interest revenue			
Net investment income	\$ 7,222,102	\$ 6,873,056	\$ 4,402,212
Interest earnings - Loans	<u>3,285,538</u>	<u>2,487,587</u>	<u>2,255,393</u>
Total interest revenue	<u>10,507,640</u>	<u>9,360,643</u>	<u>6,657,605</u>
Other revenue			
Severance tax	<u>37,868,413</u>	<u>34,134,186</u>	<u>52,943,210</u>
Total operating revenue	<u>48,376,053</u>	<u>43,494,829</u>	<u>59,600,815</u>
OPERATING EXPENSES			
Nonreimbursable investments	<u>342,892</u>	<u>818,527</u>	<u>999,160</u>
	<u>342,892</u>	<u>818,527</u>	<u>999,160</u>
OPERATING INCOME/CHANGE IN NET ASSETS	48,033,161	42,676,302	58,601,655
NET ASSETS - BEGINNING OF YEAR	<u>242,895,840</u>	<u>200,219,538</u>	<u>141,617,883</u>
NET ASSETS - END OF YEAR	<u>\$ 290,929,001</u>	<u>\$ 242,895,840</u>	<u>\$ 200,219,538</u>

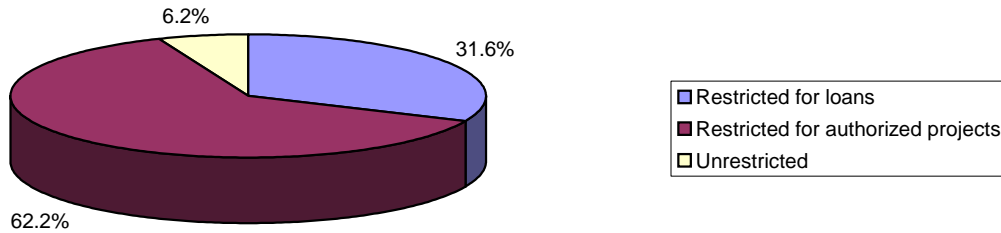
SUPPLEMENTAL INFORMATION

COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT
SCHEDULES OF CASH SOURCES AND USES
Years Ended June 30, 2008, 2007 and 2006
(See Accountant's Compilation Report)

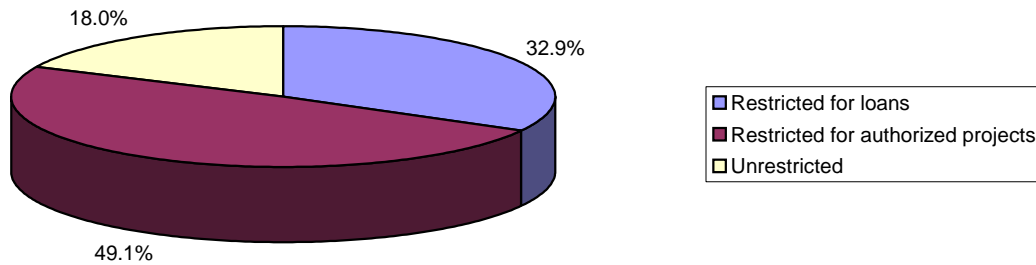
	<u>2008</u>	<u>2007</u>	<u>2006</u>
CASH SOURCES			
Severance tax	\$ 37,868,413	\$ 34,134,186	\$ 52,943,210
Interest received on investments	7,222,102	6,873,056	4,402,212
Interest received on loans	2,865,561	2,095,550	1,811,209
Principal received on loans	2,731,028	1,408,038	1,101,867
Principal received from Construction Fund	-	-	32,557
	<u>50,687,104</u>	<u>44,510,830</u>	<u>60,291,055</u>
CASH USES			
Loan disbursements to borrowers	15,154,420	17,856,138	28,221,699
Nonreimbursable investments	342,892	818,527	999,160
Principal paid to Construction Fund	-	294,904	-
	<u>15,497,312</u>	<u>18,969,569</u>	<u>29,220,859</u>
CASH SOURCES IN EXCESS OF CASH USES	35,189,792	25,541,261	31,070,196
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>159,257,304</u>	<u>133,716,043</u>	<u>102,645,847</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 194,447,096</u>	<u>\$ 159,257,304</u>	<u>\$ 133,716,043</u>

COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT
Graphs of Components of Fund Equity
June 30, 2008, 2007 and 2006
(See Accountant's Compilation Report)

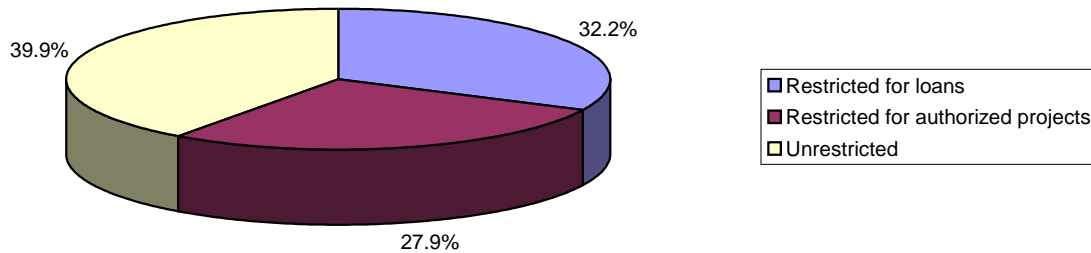
FUND EQUITY at June 30, 2008



FUND EQUITY at June 30, 2007



FUND EQUITY at June 30, 2006



	<u>2008</u>	<u>2007</u>	<u>2006</u>
Restricted for loans	\$ 91,831,767	\$ 79,994,805	\$ 64,553,696
Restricted for authorized projects	181,038,274	119,198,956	55,788,177
Unrestricted	<u>18,058,960</u>	<u>43,702,079</u>	<u>79,877,665</u>
Total fund equity	<u>\$ 290,929,001</u>	<u>\$ 242,895,840</u>	<u>\$ 200,219,538</u>