

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

**FINANCIAL STATEMENTS  
June 30, 2005, 2004 and 2003**

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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, 2005, 2004 and 2003, 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 supplementary 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.

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**COLORADO WATER CONSERVATION BOARD**  
**SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT**  
**STATEMENTS OF NET ASSETS**  
**June 30, 2005, 2004 and 2003**  
(See Accountant's Compilation Report)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 102,645,847	\$ 83,063,461	\$ 54,210,838
Due from Construction Fund	-	-	560,396
Interest receivable on loans - Current	1,137,415	1,009,609	889,032
Loans receivable completed - Current	614,584	584,297	500,766
Total current assets	<u>104,397,846</u>	<u>84,657,367</u>	<u>56,161,032</u>
<b>NONCURRENT ASSETS</b>			
Loans receivable completed - Long term	37,482,384	32,473,535	28,714,191
Total noncurrent assets	<u>37,482,384</u>	<u>32,473,535</u>	<u>28,714,191</u>
Total assets	<u>\$ 141,880,230</u>	<u>\$ 117,130,902</u>	<u>\$ 84,875,223</u>
<b>LIABILITIES</b>			
Due to Construction Fund	\$ 262,347	\$ 262,347	\$ -
Total liabilities	<u>262,347</u>	<u>262,347</u>	<u>-</u>
<b>NET ASSETS</b>			
Restricted			
Restricted for loans	37,482,384	32,473,535	28,714,191
Restricted for authorized projects under contract	40,246,674	17,961,977	15,663,004
Restricted for authorized projects not under contract	27,269,236	32,009,915	25,424,810
Unrestricted	36,619,589	34,423,128	15,073,218
Total net assets	<u>141,617,883</u>	<u>116,868,555</u>	<u>84,875,223</u>
Total liabilities and net assets	<u>\$ 141,880,230</u>	<u>\$ 117,130,902</u>	<u>\$ 84,875,223</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, 2005, 2004 and 2003**  
(See Accountant's Compilation Report)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>OPERATING REVENUE</b>			
Interest revenue			
Net investment income	\$ 2,932,610	\$ 1,627,483	\$ 1,175,671
Interest earnings - Loans	<u>1,607,582</u>	<u>1,486,799</u>	<u>1,381,670</u>
Total interest revenue	<u>4,540,192</u>	<u>3,114,282</u>	<u>2,557,341</u>
Other revenue			
Severance tax	<u>36,611,258</u>	<u>28,970,874</u>	<u>8,083,702</u>
Total operating revenue	<u>41,151,450</u>	<u>32,085,156</u>	<u>10,641,043</u>
<b>OPERATING EXPENSES</b>			
Nonreimbursable investments	902,122	91,824	358,778
Litigation settlement	<u>15,500,000</u>	<u>-</u>	<u>-</u>
	<u>16,402,122</u>	<u>91,824</u>	<u>358,778</u>
<b>OPERATING INCOME/CHANGE IN NET ASSETS</b>	24,749,328	31,993,332	10,282,265
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>116,868,555</u>	<u>84,875,223</u>	<u>74,592,958</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 141,617,883</u></u>	<u><u>\$ 116,868,555</u></u>	<u><u>\$84,875,223</u></u>

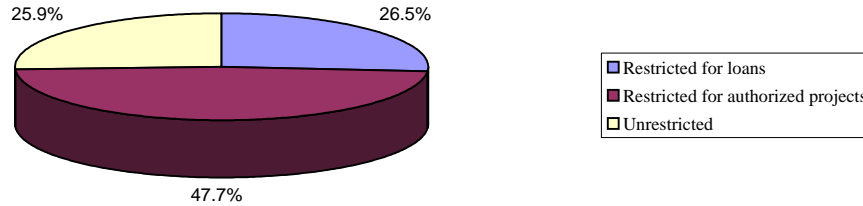
## **SUPPLEMENTAL INFORMATION**

**COLORADO WATER CONSERVATION BOARD**  
**SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT**  
**SCHEDULES OF CASH SOURCES AND USES**  
**Years Ended June 30, 2005, 2004 and 2003**  
(See Accountant's Compilation Report)

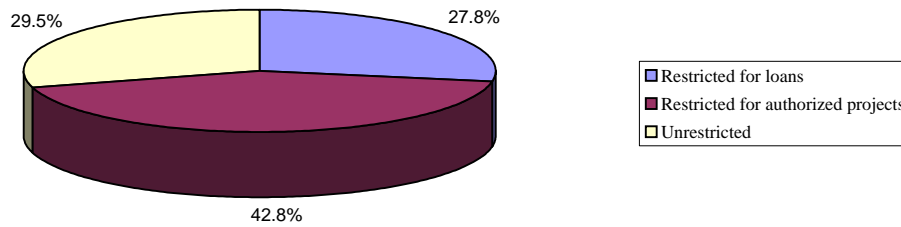
	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>CASH SOURCES</b>			
Severance tax	\$ 36,611,258	\$ 28,970,874	\$ 8,083,702
Interest received on investments	2,932,610	1,627,483	1,175,671
Interest received on loans	1,479,776	2,188,966	1,249,300
Principal received on loans	602,779	979,264	585,576
	<u>41,626,423</u>	<u>33,766,587</u>	<u>11,094,249</u>
<b>CASH USES</b>			
Loan payments to borrowers	5,641,915	4,822,140	2,615,048
Nonreimbursable investments	902,122	91,824	358,778
Litigation settlement	15,500,000	-	-
	<u>22,044,037</u>	<u>4,913,964</u>	<u>2,973,826</u>
<b>CASH SOURCES IN EXCESS OF CASH USES</b>	19,582,386	28,852,623	8,120,423
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>83,063,461</u>	<u>54,210,838</u>	<u>46,090,415</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 102,645,847</u></u>	<u><u>\$ 83,063,461</u></u>	<u><u>\$ 54,210,838</u></u>

**COLORADO WATER CONSERVATION BOARD**  
**SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT**  
**Components of Fund Equity**  
**June 30, 2005, 2004 and 2003**  
(See Accountant's Compilation Report)

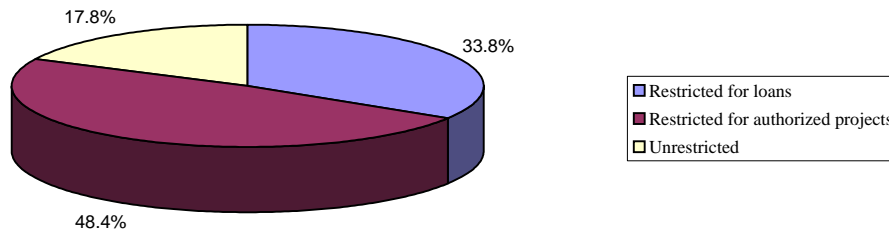
**FUND EQUITY at June 30, 2005**



**FUND EQUITY at June 30, 2004**



**FUND EQUITY at June 30, 2003**



	2005	2004	2003
Restricted for loans	\$ 37,482,384	\$ 32,473,535	\$ 28,714,191
Restricted for authorized projects	67,515,910	49,971,892	41,087,814
Unrestricted	36,619,589	34,423,128	15,073,218
Total fund equity	<u>\$141,617,883</u>	<u>\$ 116,868,555</u>	<u>\$ 84,875,223</u>