



COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

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Denver, CO 80203

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John Hickenlooper, Governor

Mike King, DNR Executive Director

James Eklund, CWCB Director

TO: Colorado Water Conservation Board Members

FROM: Steve Biondo, Finance Manager
Kirk Russell, P.E., Chief
Finance Section

DATE: November 19-20, 2014 Board Meeting

AGENDA ITEM: 26b - Financial Matters
Construction Fund and Severance Tax Perpetual Base Fund
Annual Financial Statements

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

The Colorado Water Conservation Board contracted with an independent accounting firm for the purpose of preparing Compilation Reports (Reports) of the CWCB Construction Fund (CF) and Severance Tax Perpetual Base Fund (STPBF) Financial Statements. CliftonLarsonAllen, LLP has been completing the work outlined in the Scope of Work of the agreement for the Reports since 2011.

The CF and STPBF Financial Statements Update will be presented and questions will be addressed for the Fiscal Year ending June 30, 2014 at the November 2014 Board Meeting. CWCB Executive Summaries and Comparative Financial Statements for the Fiscal Years 2014, 2013, and 2012 are attached for informational purposes only.

Attachments:

1. CWCB Construction Fund - Executive Summary
2. CWCB Construction Fund - Financial Statements
3. CWCB Severance Tax Perpetual Base Fund - Executive Summary
4. CWCB Severance Tax Perpetual Base Fund - Financial Statements

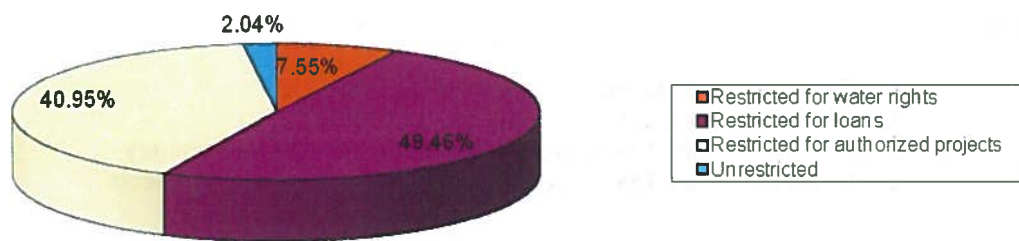


CWCBC CONSTRUCTION FUND EXECUTIVE SUMMARY

The Construction Fund (CF) for the year ended June 30, 2014 saw an increase of approximately \$55 million in the net assets of the CF. The balance in the net assets is comprised of those assets that are restricted for projects under contract, projects not under contract, water rights available for resale, and those that are unrestricted. Overall the restricted balance at year-end was \$465,122,572; this is a \$72,029,086 increase in restricted assets from the prior year.

During 2014, the CF disbursed approximately \$19.6 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 Tri County Water Conservancy District for approximately \$5,037,000 (a portion of the \$13,130,000 loan), Colorado Parks and Wildlife for approximately \$3,659,000 (a portion of the \$10,000,000 loan), and Henrylyn Irrigation District for approximately \$1,824,000 (a portion of the \$2,967,000 loan). These three contracts account for approximately 54% of the loan disbursements for the year ended June 30, 2014. The loan disbursements made during the year ended June 30, 2014 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 approximately \$30.8 million from \$37,796,458 at June 30, 2013 to \$68,576,692 at June 30, 2014. The CF received \$9,930,669 in principal repayments from participating entities for the fiscal year ending June 30, 2014 as compared to \$21,567,917 for the year ended June 30, 2013.

NET POSITION at June 30, 2014



| | | |
|---|----------------|----------|
| Restricted for loans * = | \$235 M | (49.5%) |
| Restricted for water rights = | \$ 36 M | (7.6%) |
| Restricted for authorized projects ** = | \$194 M | (40.8%) |
| Unrestricted (Available Cash) = | <u>\$ 10 M</u> | (2.1%) |
| Total Fund Equity = | <u>\$475 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.

Interest revenue and other revenue increased by \$12,156,079 from \$58,449,597 at June 30, 2013 to \$70,605,676 at June 30, 2014. Much of that related to a \$12 million dollar increase in transfers from the Severance Tax Perpetual Base Fund (STPBF), which were \$45 million during the year ended June 30, 2014 and \$33 million during the year ended June 30, 2013. Mineral lease income that is allocated to the CF was \$17,033,141. Under Senate Bill 12S-002 and Senate Bill 13-181, the Rio Grande Cooperative Project, the Chatfield Reservoir Reallocation Project and the Windy Gap Reservoir Bypass Channel Project received funds via transfers from STPBF.

Total expenses remained relatively stable, increasing by \$410,198 from 2013 to 2014. Non-reimbursable investment expenses saw the greatest increase, approximately \$8.67 million in fiscal year 2014, as compared to \$7.76 million in fiscal year 2013 due to the implementation of the above cited projects.

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

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

**FINANCIAL STATEMENTS
June 30, 2014, 2013 and 2012**

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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Colorado Water Conservation Board
Denver, Colorado

We have compiled the accompanying statements of net position of Colorado Water Conservation Board, Construction Fund as of June 30, 2014, 2013 and 2012 and the related statements of revenue, expenses and changes in net position for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements 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 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.

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 without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The supplementary information appearing on page 6 and 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

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 statement of cash flows were included in the financial statements, they might influence the user's conclusions about Colorado Water Conservation Board, Construction Fund's financial position, results of operations, and cash flows. Accordingly, the 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

CliftonLarsonAllen LLP

Broomfield, Colorado
October 28, 2014

COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
STATEMENTS OF NET POSITION
June 30, 2014, 2013 and 2012

| | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---|--------------------------|--------------------------|--------------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | \$ 195,340,384 | \$ 151,983,838 | \$ 127,725,050 |
| Interest receivable on loans | 4,209,518 | 3,594,536 | 4,122,768 |
| Loans receivable | 6,577,811 | 6,005,369 | 6,270,577 |
| Prepaid items | 8,258 | 43,132 | 8,441 |
| | <u>206,135,971</u> | <u>161,626,875</u> | <u>138,126,836</u> |
| NONCURRENT ASSETS | | | |
| Loans receivable - long-term - net of allowance for uncollectible account of \$131,661 in 2014, \$211,771 in 2013 and \$220,129 in 2012 | 231,850,827 | 222,491,774 | 226,218,571 |
| Interest receivable - long term | 3,016,607 | 3,317,545 | 3,607,350 |
| Water rights | 35,868,420 | 35,868,420 | 12,000,000 |
| Total noncurrent assets | <u>270,735,854</u> | <u>261,677,739</u> | <u>241,825,921</u> |
| Total assets | <u>\$476,871,825</u> | <u>\$423,304,614</u> | <u>\$379,952,757</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 2,041,012 | \$ 3,039,764 | \$ 2,507,989 |
| Total liabilities | <u>2,041,012</u> | <u>3,039,764</u> | <u>2,507,989</u> |
| NET POSITION | | | |
| Restricted | | | |
| Restricted for water rights | 35,868,420 | 35,868,420 | 12,000,000 |
| Restricted for loans | 234,867,434 | 225,809,319 | 229,825,921 |
| Restricted for authorized projects under contract | 68,576,692 | 37,796,458 | 35,301,685 |
| Restricted for authorized projects not under contract | 125,810,026 | 93,619,289 | 49,507,613 |
| Unrestricted | 9,708,241 | 27,171,364 | 50,809,549 |
| Total net position | <u>474,830,813</u> | <u>420,264,850</u> | <u>377,444,768</u> |
| Total liabilities and net position | <u>\$476,871,825</u> | <u>\$423,304,614</u> | <u>\$379,952,757</u> |

See accountants' compilation report.

**COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
Years Ended June 30, 2014, 2013 and 2012**

| | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|--|-----------------------|-----------------------|-----------------------|
| OPERATING REVENUE | | | |
| Interest revenue | | | |
| Net investment income | \$ 1,207,335 | \$ 1,486,607 | \$ 1,453,298 |
| Interest earnings - loans | <u>7,044,443</u> | <u>8,998,555</u> | <u>8,698,209</u> |
| Total interest revenue | <u>8,251,778</u> | <u>10,485,162</u> | <u>10,151,507</u> |
| Other revenue | | | |
| Mineral lease income | 17,033,141 | 11,570,160 | 15,748,096 |
| Transfer from Severance Tax Trust Fund | 45,000,000 | 33,000,000 | 12,000,000 |
| Service charge on loans | 119,757 | 908,851 | 135,808 |
| Other | <u>201,000</u> | <u>2,485,424</u> | <u>193,581</u> |
| Total other revenue | <u>62,353,898</u> | <u>47,964,435</u> | <u>28,077,485</u> |
| Total operating revenue | <u>70,605,676</u> | <u>58,449,597</u> | <u>38,228,992</u> |
| OPERATING EXPENSE | | | |
| Interdepartmental operations | | | |
| CWCB - Operations | 5,427,734 | 5,966,201 | 5,405,849 |
| Division of Water Resources | 306,942 | 431,019 | 380,261 |
| Satellite monitoring | 340,744 | 273,015 | 335,029 |
| Executive Director's office | 770,275 | 710,797 | 763,642 |
| Attorney General's office | 514,917 | 471,573 | 486,566 |
| Nonreimbursable investments | <u>8,679,101</u> | <u>7,776,910</u> | <u>4,071,726</u> |
| Total operating expense | <u>16,039,713</u> | <u>15,629,515</u> | <u>11,443,073</u> |
| OPERATING INCOME/CHANGE IN NET POSITION | 54,565,963 | 42,820,082 | 26,785,919 |
| NET POSITION - BEGINNING OF YEAR | <u>420,264,850</u> | <u>377,444,768</u> | <u>350,658,849</u> |
| NET POSITION - END OF YEAR | <u>\$ 474,830,813</u> | <u>\$ 420,264,850</u> | <u>\$ 377,444,768</u> |

See accountants' compilation report.

SUPPLEMENTARY INFORMATION

**COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
SCHEDULES OF CASH SOURCES AND USES
Years ended June 30, 2014, 2013 and 2012**

| | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|--|-----------------------|-----------------------|-----------------------|
| CASH SOURCES | | | |
| Mineral lease income | \$ 17,033,141 | \$ 11,570,160 | \$ 15,748,096 |
| Interest received on investments | 1,207,335 | 1,486,607 | 1,453,298 |
| Interest received on loans | 6,730,399 | 9,816,592 | 8,254,890 |
| Principal received on loans | 9,686,865 | 21,567,917 | 17,726,445 |
| Service charge on loans | 119,757 | 908,851 | 135,808 |
| Transfer from Severance Tax Trust Fund | 45,000,000 | 33,000,000 | 12,000,000 |
| Other revenue | 201,000 | 2,485,424 | 193,581 |
| | <u>79,978,497</u> | <u>80,835,551</u> | <u>55,512,118</u> |
| CASH USES | | | |
| Loan disbursements to borrowers | 19,618,360 | 17,567,554 | 7,475,581 |
| Nonreimbursable investments | 9,677,853 | 7,279,826 | 4,450,114 |
| Interdepartmental operations | 7,325,738 | 7,860,963 | 7,528,740 |
| Water rights acquisition | - | 23,868,420 | 12,000,000 |
| | <u>36,621,951</u> | <u>56,576,763</u> | <u>31,454,435</u> |
| CASH SOURCES IN EXCESS OF CASH USES | 43,356,546 | 24,258,788 | 24,057,683 |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | <u>151,983,838</u> | <u>127,725,050</u> | <u>103,667,367</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 195,340,384</u> | <u>\$ 151,983,838</u> | <u>\$ 127,725,050</u> |

See accountants' compilation report

**COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
GRAPHS OF COMPONENTS OF NET POSITION
June 30, 2014, 2013 and 2012**

NET POSITION at June 30, 2014



NET POSITION at June 30, 2013



NET POSITION at June 30, 2012



| | 2014 | 2013 | 2012 |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| Restricted for water rights | \$ 35,868,420 | \$ 35,868,420 | \$ 12,000,000 |
| Restricted for loans | 234,867,434 | 225,809,319 | 229,825,921 |
| Restricted for authorized projects | 194,386,718 | 131,415,747 | 84,809,298 |
| Unrestricted | 9,708,241 | 27,171,364 | 50,809,549 |
| Total net position | <u>\$ 474,830,813</u> | <u>\$ 420,264,850</u> | <u>\$ 377,444,768</u> |

See accountants' compilation report

CWCB SEVERANCE TAX PERPETUAL BASE FUND EXECUTIVE SUMMARY

The Severance Tax Perpetual Base Fund (STPBF) for the year ended June 30, 2014 saw an increase of \$17,089,441 million in net assets. The balance in net assets is comprised of those assets that are restricted for loans, those restricted for transfers, and those that are unrestricted. Overall the restricted balance for loans and authorized projects at June 30, 2014 was \$309,396,617 which is a \$57,103,968 increase in restricted assets from June 30, 2013. This increase is related to several new loans, including 22 loans made to assist in the emergency flood repairs, totaling approximately \$18 million. The three largest loans disbursed during the year ended June 30, 2014 were to Highland Ditch Company for approximately \$1,478,000, Beeman Irrigating Ditch and Milling Company for approximately \$1,465,000, and Rough and Ready Irrigating Ditch Company for approximately \$1,133,000, which account for approximately 44% of the total loan disbursements from the Fund for the year ended June 30, 2014.

House Bill 10-1250 authorized the State Treasurer to transfer \$36M from STPBF to the Construction Fund (CF) for the purchase of all or a portion of Colorado's allotment of the Animas-La-Plata project water; the final transfer of \$12M was made on July 1, 2013. Senate Bill 13-181 authorized the State Treasurer to transfer \$57M from STPBF to CF for the Chatfield Reservoir Reallocation Project; the final installment of \$29M to be made on July 1, 2015. An amount of \$2M for the Windy Gap Project was also transferred to CF from this bill. Senate Bill 12S-002 authorized the State Treasurer to transfer \$30M from STPBF to CF for the Rio Grande Cooperative Project; the final transfer of \$15M was made on July 1, 2013.

NET POSITION at June 30, 2014



| | | |
|---|----------------|----------|
| Restricted for loans * = | \$147 M | (44.7%) |
| Restricted for authorized projects ** = | \$152 M | (46.2%) |
| Restricted for transfer = | \$ 10 M | (3.0%) |
| Unrestricted (Available Cash) = | \$ 20 M | (6.1%) |
| Total Fund Equity = | <u>\$329 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 for the year ended June 30, 2014 increased from \$38.1 million during the year ended June 30, 2013 to \$66.0 million during the year ended June 30, 2014. This is due primarily to a significant increase in the amount of severance tax revenue that was earned on oil and gas production.

Operating expenses increased from \$34.6 million in the prior year to \$48.9 million in the current year, as a result of the increase in projects and non-reimbursable expenses approved by the General Assembly.

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

**COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX PERPETUAL BASE FUND
Denver, Colorado**

**FINANCIAL STATEMENTS
June 30, 2014, 2013 and 2012**

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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Colorado Water Conservation Board
Denver, Colorado

We have compiled the accompanying statements of net position of Colorado Water Conservation Board, Severance Tax Perpetual Base Fund as of June 30, 2014, 2013 and 2012 and the related statements of revenue, expenses and changes in net position for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements 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 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.

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 without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The supplementary information appearing on page 6 and 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

The financial statements of the Colorado Water Conservation Board, Severance Tax Perpetual Base 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, Severance Tax Perpetual Base Fund.

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. On July 1, 2013, \$12,000,000 was transferred into 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 Perpetual Base 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 statement of cash flows were included in the financial statements, they might influence the user's conclusions about Colorado Water Conservation Board, Severance Tax Perpetual Base Fund's financial position, results of operations, and cash flows. Accordingly, the 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

Broomfield, Colorado
October 28, 2014

**COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX PERPETUAL BASE FUND
STATEMENTS OF NET POSITION
June 30, 2014, 2013 and 2012**

| | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|--|---------------------------|---------------------------|---------------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | \$ 174,010,057 | \$ 152,977,023 | \$ 134,923,682 |
| Interest receivable on loans | 1,956,308 | 2,765,024 | 4,660,512 |
| Loans receivable | 6,588,024 | 6,208,336 | 3,725,486 |
| Due from the State of Colorado | <u>-</u> | <u>-</u> | <u>6,089,621</u> |
| Total current assets | <u>182,554,389</u> | <u>161,950,383</u> | <u>149,399,301</u> |
| NONCURRENT ASSETS | | | |
| Loans receivable - long-term | <u>146,893,358</u> | <u>150,407,923</u> | <u>159,469,689</u> |
| Total noncurrent assets | <u>146,893,358</u> | <u>150,407,923</u> | <u>159,469,689</u> |
| Total assets | <u>\$ 329,447,747</u> | <u>\$ 312,358,306</u> | <u>\$ 308,868,990</u> |
| LIABILITIES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| NET POSITION | | | |
| Restricted | | | |
| Restricted for loans | \$ 146,893,358 | \$ 150,408,233 | \$ 159,469,689 |
| Restricted for authorized projects under contract | 24,011,141 | 18,472,949 | 21,115,121 |
| Restricted for authorized projects not under contract | 154,879,804 | 66,411,467 | 66,916,473 |
| Restricted for transfer to construction fund | - | 17,000,000 | 32,000,000 |
| Restricted for transfer to Higher Ed | 10,000,000 | - | - |
| Unrestricted | <u>(6,336,556)</u> | <u>60,065,657</u> | <u>29,367,707</u> |
| Total net position | <u>329,447,747</u> | <u>312,358,306</u> | <u>308,868,990</u> |
| Total liabilities and net position | <u>\$ 329,447,747</u> | <u>\$ 312,358,306</u> | <u>\$ 308,868,990</u> |

See accountants' compilation report

**COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX PERPETUAL BASE FUND
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
Years Ended June 30, 2014, 2013 and 2012**

| | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---|-----------------------|-----------------------|-----------------------|
| OPERATING REVENUE | | | |
| Interest revenue | | | |
| Net investment income | \$ 1,467,951 | \$ 1,439,707 | \$ 1,697,551 |
| Interest earnings - loans | <u>4,170,815</u> | <u>4,286,271</u> | <u>5,164,410</u> |
| Total interest revenue | <u>5,638,766</u> | <u>5,725,978</u> | <u>6,861,961</u> |
| Other revenue | | | |
| Severance tax | <u>60,392,518</u> | <u>32,354,809</u> | <u>49,859,296</u> |
| Total operating revenue | <u>66,031,284</u> | <u>38,080,787</u> | <u>56,721,257</u> |
| OPERATING EXPENSES | | | |
| Non-Reimbursable-Agricultural Emergency Drought | 911,279 | 1,000,000 | - |
| Transfers to general and other funds | <u>48,030,564</u> | <u>33,591,471</u> | <u>60,167,843</u> |
| | <u>48,941,843</u> | <u>34,591,471</u> | <u>60,167,843</u> |
| OPERATING INCOME (LOSS)/CHANGE IN NET POSITION | 17,089,441 | 3,489,316 | (3,446,586) |
| NET POSITION - BEGINNING OF YEAR | <u>312,358,306</u> | <u>308,868,990</u> | <u>312,315,576</u> |
| NET POSITION - END OF YEAR | <u>\$ 329,447,747</u> | <u>\$ 312,358,306</u> | <u>\$ 308,868,990</u> |

See accountants' compilation report.

SUPPLEMENTARY INFORMATION

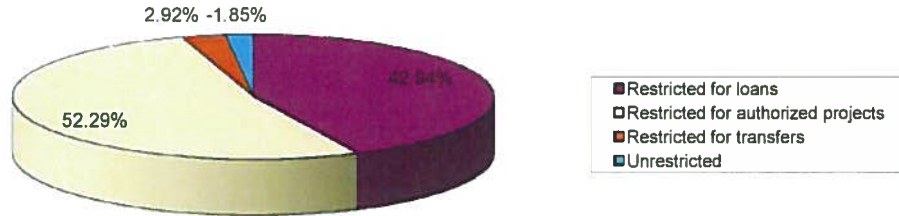
**COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX PERPETUAL BASE FUND
SCHEDULES OF CASH SOURCES AND USES
Years Ended June 30, 2014, 2013 and 2012**

| | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|--|-----------------------|-----------------------|-----------------------|
| CASH SOURCES | | | |
| Severance tax | \$ 60,392,518 | \$ 38,444,430 | \$ 43,769,675 |
| Interest received on investments | 1,467,951 | 1,439,707 | 1,697,551 |
| Interest received on loans | 4,979,531 | 6,181,759 | 5,040,585 |
| Principal received on loans | <u>12,515,130</u> | <u>8,101,476</u> | <u>33,242,996</u> |
| | <u>79,355,130</u> | <u>54,167,372</u> | <u>83,750,807</u> |
| CASH USES | | | |
| Loan disbursements to borrowers | 9,380,253 | 1,522,560 | 16,587,233 |
| Special bills | <u>48,941,843</u> | <u>34,591,471</u> | <u>60,167,843</u> |
| | <u>58,322,096</u> | <u>36,114,031</u> | <u>76,755,076</u> |
| CASH SOURCES IN EXCESS OF CASH USES | 21,033,034 | 18,053,341 | 6,995,731 |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | <u>152,977,023</u> | <u>134,923,682</u> | <u>127,927,951</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 174,010,057</u> | <u>\$ 152,977,023</u> | <u>\$ 134,923,682</u> |

See accountants' compilation report.

**COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX PERPETUAL BASE FUND
GRAPHS OF COMPONENTS OF NET POSITION
June 30, 2014, 2013 and 2012**

NET POSITION at June 30, 2014



NET POSITION at June 30, 2013



NET POSITION at June 30, 2012



| | 2014 | 2013 | 2012 |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| Restricted for loans | \$ 146,893,358 | \$ 150,408,233 | \$ 159,469,689 |
| Restricted for authorized projects | 178,890,945 | 84,884,416 | 88,031,594 |
| Restricted for transfers | 10,000,000 | 17,000,000 | 32,000,000 |
| Unrestricted | (6,336,556) | 60,065,657 | 29,367,707 |
| Total net position | <u>\$ 329,447,747</u> | <u>\$ 312,358,306</u> | <u>\$ 308,868,990</u> |

See accountants' compilation report