

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	<u>8,258</u>	<u>43,132</u>	<u>8,441</u>
	<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	<u>35,868,420</u>	<u>35,868,420</u>	<u>12,000,000</u>
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	<u>9,708,241</u>	<u>27,171,364</u>	<u>50,809,549</u>
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

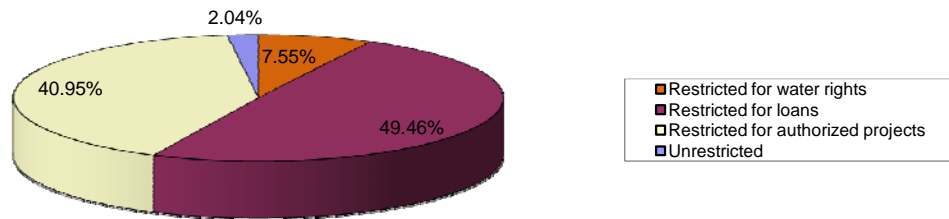
**COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
SCHEDULES OF CASH SOURCES AND USES
Years ended June 30, 2014, 2013 and 2012**

	<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>

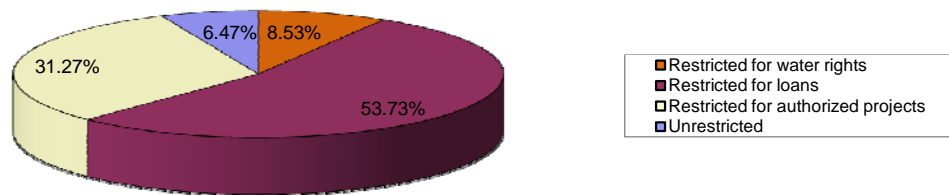
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**COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
GRAPHS OF COMPONENTS OF NET POSITION
June 30, 2014, 2013 and 2012**

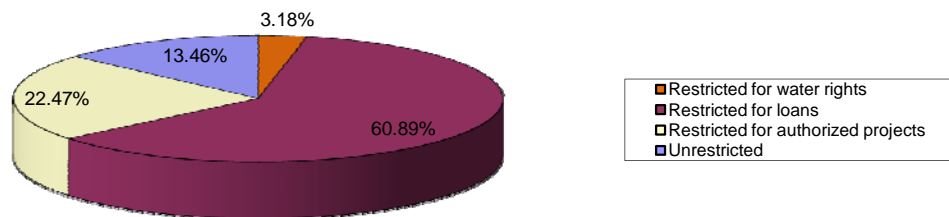
NET POSITION at June 30, 2014



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