

COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
Denver, Colorado

FINANCIAL STATEMENTS
June 30, 2015, 2014 and 2013

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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Colorado Water Conservation Board
Denver, Colorado

Management is responsible for the accompanying financial statements of Colorado Water Conservation Board, Construction Fund, which comprise the statements of net position as of June 30, 2015, 2014 and 2013 and the related statements of revenue, expenses and changes in net position for the years then ended in accordance with the accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures and the statements of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statements 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.

The supplementary information appearing on pages 5 and 6 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such 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 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.

Broomfield, Colorado
November 4, 2015

COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
STATEMENTS OF NET POSITION
June 30, 2015, 2014 and 2013

	<u>2015</u>	<u>2014</u>	<u>2013</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 201,112,324	\$ 195,340,384	\$ 151,983,838
Interest receivable on loans	3,787,267	4,209,518	3,594,536
Loans receivable	7,489,055	6,577,811	6,005,369
Prepaid items	-	8,258	43,132
	<u>212,388,646</u>	<u>206,135,971</u>	<u>161,626,875</u>
NONCURRENT ASSETS			
Loans receivable - long-term - net of allowance for uncollectible account of \$126,959 in 2015, \$131,661 in 2014 and \$211,771 in 2013	268,726,814	231,850,827	222,491,774
Interest receivable - long term	2,846,737	3,016,607	3,317,545
Water rights	<u>35,868,420</u>	<u>35,868,420</u>	<u>35,868,420</u>
Total noncurrent assets	<u>307,441,971</u>	<u>270,735,854</u>	<u>261,677,739</u>
 Total assets	 <u>\$ 519,830,617</u>	 <u>\$ 476,871,825</u>	 <u>\$ 423,304,614</u>
LIABILITIES			
Accounts payable	\$ 2,548,111	\$ 2,041,012	\$ 3,039,764
Total liabilities	<u>2,548,111</u>	<u>2,041,012</u>	<u>3,039,764</u>
NET POSITION			
Designated			
Designated for water rights	35,868,420	35,868,420	35,868,420
Designated for loans	271,573,551	234,867,434	225,809,319
Designated for authorized projects under contract	71,299,911	68,576,692	37,796,458
Designated for authorized projects not under contract	82,767,153	125,810,026	93,619,289
Undesignated	<u>55,773,471</u>	<u>9,708,241</u>	<u>27,171,364</u>
Total net position	<u>517,282,506</u>	<u>474,830,813</u>	<u>420,264,850</u>
 Total liabilities and net position	 <u>\$ 519,830,617</u>	 <u>\$ 476,871,825</u>	 <u>\$ 423,304,614</u>

See accountants' compilation report.

COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
Years Ended June 30, 2015, 2014 and 2013

	<u>2015</u>	<u>2014</u>	<u>2013</u>
OPERATING REVENUE			
Interest revenue			
Net investment income	\$ 1,895,398	\$ 1,207,335	\$ 1,486,607
Interest earnings - loans	<u>7,868,040</u>	<u>7,044,443</u>	<u>8,998,555</u>
Total interest revenue	<u>9,763,438</u>	<u>8,251,778</u>	<u>10,485,162</u>
Other revenue			
Mineral lease income	14,395,034	17,033,141	11,570,160
Transfer from Severance Tax PB Fund	-	45,000,000	33,000,000
Transfer from General Fund	30,000,000	-	-
Service charge on loans	74,985	119,757	908,851
Other	<u>3,161,446</u>	<u>201,000</u>	<u>2,485,424</u>
Total other revenue	<u>47,631,465</u>	<u>62,353,898</u>	<u>47,964,435</u>
Total operating revenue	<u>57,394,903</u>	<u>70,605,676</u>	<u>58,449,597</u>
OPERATING EXPENSE			
Interdepartmental operations			
CWCB - Operations	5,754,267	5,427,734	5,966,201
Division of Water Resources	260,318	306,942	431,019
Satellite monitoring	334,568	340,744	273,015
Executive Director's office	544,105	770,275	710,797
Attorney General's office	648,823	514,917	471,573
Nonreimbursable investments	<u>7,401,129</u>	<u>8,679,101</u>	<u>7,776,910</u>
Total operating expense	<u>14,943,210</u>	<u>16,039,713</u>	<u>15,629,515</u>
OPERATING INCOME/CHANGE IN NET POSITION	42,451,693	54,565,963	42,820,082
NET POSITION - BEGINNING OF YEAR	<u>474,830,813</u>	<u>420,264,850</u>	<u>377,444,768</u>
NET POSITION - END OF YEAR	<u>\$ 517,282,506</u>	<u>\$ 474,830,813</u>	<u>\$ 420,264,850</u>

See accountants' compilation report.

SUPPLEMENTARY INFORMATION

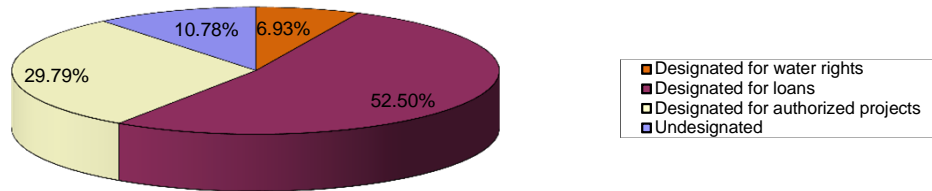
COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
SCHEDULES OF CASH SOURCES AND USES
Years ended June 30, 2015, 2014 and 2013

	<u>2015</u>	<u>2014</u>	<u>2013</u>
CASH SOURCES			
Mineral lease income	\$ 14,395,034	\$ 17,033,141	\$ 11,570,160
Interest received on investments	1,895,398	1,207,335	1,486,607
Interest received on loans	8,460,161	6,730,399	9,816,592
Principal received on loans	13,454,495	9,686,865	21,567,917
Service charge on loans	74,985	119,757	908,851
Transfer from Severance Tax Trust Fund	-	45,000,000	33,000,000
Transfer from General Fund	30,000,000	-	-
Other revenue	3,161,446	201,000	2,485,424
	<u>71,441,519</u>	<u>79,978,497</u>	<u>80,835,551</u>
CASH USES			
Loan disbursements to borrowers	51,241,726	19,618,360	17,567,554
Nonreimbursable investments	6,894,030	9,677,853	7,279,826
Interdepartmental operations	7,533,823	7,325,738	7,860,963
Water rights acquisition	-	-	23,868,420
	<u>65,669,579</u>	<u>36,621,951</u>	<u>56,576,763</u>
CASH SOURCES IN EXCESS OF CASH USES	5,771,940	43,356,546	24,258,788
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>195,340,384</u>	<u>151,983,838</u>	<u>127,725,050</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 201,112,324</u>	<u>\$ 195,340,384</u>	<u>\$ 151,983,838</u>

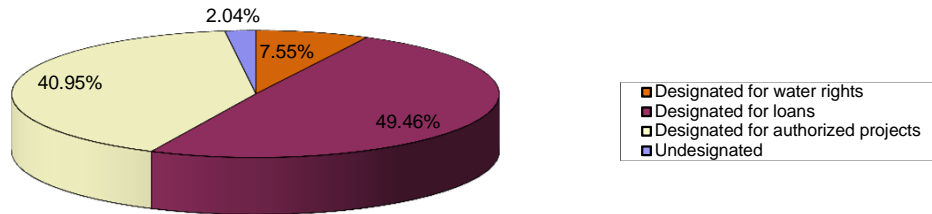
See accountants' compilation report.

**COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
GRAPHS OF COMPONENTS OF NET POSITION
June 30, 2015, 2014 and 2013**

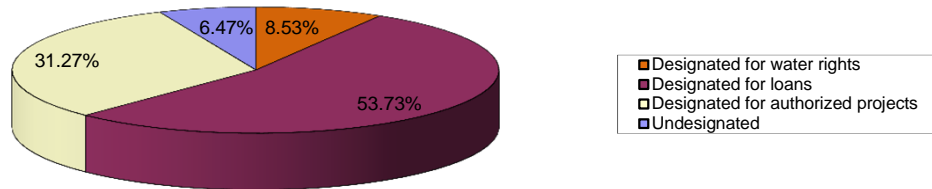
NET POSITION at June 30, 2015



NET POSITION at June 30, 2014



NET POSITION at June 30, 2013



Designated for water rights	\$ 35,868,420	\$ 35,868,420	\$ 35,868,420
Designated for loans	271,573,551	234,867,434	225,809,319
Designated for authorized projects	154,067,064	194,386,718	131,415,747
Undesignated	55,773,471	9,708,241	27,171,364
Total net position	<u>\$ 517,282,506</u>	<u>\$ 474,830,813</u>	<u>\$ 420,264,850</u>

See accountants' compilation report